In the name of Allah
the most
Compassionate and Merciful

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Introduction ..... A
Past Record of the U.S. Foreign Policy ..... B
Principles Governing U.S. Foreign Policy Subtitle ..... J

Broad Trends Forecast 1
5- Regional Survey 2
6- Western Europe 2
11- U.S.S.R. and Eastern Europe 2
15- China 3
18- East Asia and the Pacific 4
24- South Asia 5
26- Middle East and Persian Gulf 5
33- Africa 6
38- Western Hemisphere 7
43- The International Economy 7
44- Trade, Credit, and Economic Growth 8
52- North-South Relations 9
54- Developing Countries 10
59- Law of the Sea 10
60- Global Issues 10
61- Human Rights 10
64- Terrorism 11
66- Convertional Arms Restriant 11
68- Arms Control Negotiations 12
72- Nuclear Non-Proliferation 12

A- U.S.-Soviet Relations 55
B- Eastern Europe 59
The Post-Tito Succession in Yugoslavia 59
The Polish Hard Currency Deficit 59
The Madrid CSCE Review Conference 59
Potential Impact of a Polish Pope 61
C- Western Europe 61
1- Relations With Leftist Parties 61
2- Evolution of the Europian Community 61
3- Evolution of NATO 62
4- Greece-Turkey Conflict 63
5- Economic Growth Policies 64
6- Aid to Struggling Economies 65
D- Near East and South Asia 65
1- Near East and South Asian Security Problems ... 65
3- Potential Realignment of South Asian Political Relationships 67
4- Some Aspects of OPEC Policy 68
5- Nuclear Proliferation 68
E- East Asia 69
1- China and the Outside World 69
2- Japan 71
3- The Korean Peninsula 71
4- South Asia 71
5- Indochina 72
6- Philippines 73
F- Africa 74
1- Southern Africa 74
A- Rhodesia 74
B- Namibia 75
C- Republic of South Africa 76
2- The Horn 77
3- Other Key States 77
Sudan 77
Kenya 77
Nigeria 78
Zaire 78
4- Dispute Settlement 79
5- Improving Relations with African Progressives . 80
G- Latin America 80
1- General 80
2- Central America 80
3- Mexico 81
5- Caribbean Cooperation 82
6- The Emergence of Middle Level Powers 83
7- Arms Restraint and Dispute Settlement 83
8- Organization of American States 83

Appendix -1

Nuclear Non-Proliferation 85

Appendix -2

Human Rights 86

Appendix -3

Peace Development 92

Appendix -4

International Economic Issues 94

1- Raw Maretial International Market Stability

2- Law of the Sea

Appendix -5

Economic and Development Aids 98

1- Volume of Aids

2- Connection of Aids with Human Rights

3- Distribution of Aids

Appendix -6

United Nation 103

Notes 105

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Introduction

Through the study of this document one realizes how American politicians conceal their imperialist and expansionist objectives behind such holy words and phrases such as peace - loving human rights, economic aids, etc. In concealing their true intent they have gone so far as to make their classified materials appear as self-evident truth and humanitarian in principle, to their own diplomatic personel and even the U.S. top brass has come to believe these things. They see no shame in their views. Evidently not all American diplomats are aware of the knowledge and the nature of the plants of their central planners and indicating these realities may perhaps have negative effects in the work and propaganda of these persons.

Since the day the West decided to bring Third World countries in line with itself through humanitarian slogans, a number of world intellectuals began to believe and followed these mottos. And now, the U.S.A. itself thinks (or believes) it has a permanent mission in the salvation and securing of human rights. The mission of the real Third World intellectuals, especially in the Muslim countries is to reveal the great gap that exists between this claim and the reality.

It is hoped that attention to this preface and to the documentary evidence referred to in the text, will spur some step towards clarifing this very important matter.

Past Record Of the U.S. Foreign Policy

Following the War of Independence (1775 - 1783) and the increase of power in the U.S.A. and at the same time, the diminishing Spanish colonial power in Latin America coincidental with the independence of this country's colonies, the United States of America entered world diplomacy in 1823 with the "Monroe Doctrine" which was based on three points:

A. Non-interference of European colonial powers in the affairs of the American continent.

B. Non-interference of the U.S.A. in the European colonies in Latin America.

C. Non-interference of the U.S.A. in the internal affairs of the European countries.(1)

After wresting vast expanses of land from Spain (1838) and the conclusion of the Civil War culminating in the unity of various states in North America, the United States' foreign policy became more active. These activities however, were directed towards the attainment of imperialist and colonial aims. An example of this is the Spanish-American War of 1898 which was caused by the crisis within Cuba. As a result of this war, Puerto Rico (islands) were ceded to the U.S.A. Spain was expelled from Cuba and Philippine. These two territories were occupied by the U.S.A. Then the U.S.A. military bases in these two countries went under construction.(2)

At the start of World War I , the U.S.A. assumed a neutral position but after a short time it began to aid France and England and ultimately declared war on Germany. The neutral status was so

shelved. The real reasons for helping these two countries and for entering into a were mainly U.S. economic interests. Because, if a neutral policy was continued, these two countries (England and France) would have no money with which to buy the U.S. goods and so the U.S. exports would face a decline. Thus, the need for granting multi-billion dollar loans to these two coutries became imperative. Also direct participation in the war was due to economic considerations, because, after the exit of Russia from the war, the Anglo-France defeat had become a reality, resulting in the loss of all credit monies extended to the allies. This sum amounted to ten billion dollars(3).

Major changes occurred in the world after W.W.I. Russia left the international political scene because of loss of considerable territory, internal strike and the Bolshevik Revolution. The Austro-Hungrian and the Ottoman Empires were dissolved. Germany was defeated. In Europe, just the two colonial powers of England and France stood up but in much weaker condition than before the war, because of damages they had sustained and the expenditure of colossal war budgets. On the other hand, the U.S.A. was the only country that emerged more powerful than before from the war.

The U.S., a debtor nation to Europe before the war, came out a creditor. During the war, U.S. exports increased 9.50 billion dollars over its imports (4).

Now, the United States president, entered the world political peace scene with mottos opposed to old colonialism and with the principle of "freedom of nations to decide thier own destiny."

Of course, these principles were posed with the American inte-

rpretation. In the opinion of Mr. President it was alright for an industrial state to use force or even occupy newly independent countries to open them up to their trade (5). Wilson was interested in assuming an important role in international politics. He was almost the essential axis in the Versailles Peace Conference which adopted the 14-point resolution proposed by him. However, his (Wilson's) international policies met with negative reaction within the U.S.A. and were ultimately defeated because the Versailles Peace Treaty was not approved by the U.S. Senate. Also, the U.S. Senate had objected to article 10 of the Versailles Peace Treaty regarding military intervention for the guarantee of all countries' territorial, integrity and independence and another article concerning intervention of the League of Nations in international affairs was met with severe objection. They believed that the L.N. did not have the right to interfere in problems relating to the Monroe Doctrine customs and regulations vis-a-vis immigration into the U.S.A. Finally, in a referendum, American voters, announced their final opposition to join League of Nations (6).

One of the major reasons for taking this decision was the fear of the people and the U.S. Senate in interfering in European affairs which they regarded as detrimental to their interests. Besides, France and England were not weak as to accept American submission.

The Second World War chanched the international scene comletely. After the war (W.W.I.) the European powers had become utterly exhausted and weak. But, Russia emerged as a great, victorious nation, including some central European states as its satellites. The possibility of other European countries falling into Russian orbit was possible. On the other side, the influence of Frence and England to maintain colonial powers in Third World countries had become non-existent. Consequently, Europe felt impelled to accept the leadership of the U.S.A. because American military and economic powers had, at the time, reached the highest imaginable level. Such conditions were great temptations for expansionism in its most lively form. No one (Americans) thought of isolationism such as they did after the first war. This American expansionism had showed itself even before entry of the U.S.A. into the war (W.W.II).

In 1941 when Hitler claimed the necessity of territorial expansion, Henry Luce (an American statesman) reasoned and said: "Dictatorial regimes may need a much wider living space but democracy (freedom) requires a much broader living area than they do." (7)

After W.W.II, the U.S. naval power was five times what it was at the start of the war, 15,000 of its warplanes were converted into commercial aircraft. Agricultural, coal and oil production was increased. Iron ore production grew four times. Industrial output grew 100%. At this time the U.S.A. consumed one half of the energy produced in the world; it has had 2/3 the capacity for conversion into industrial production in addition to 40 billion dollars trade surplus and 50 percent of the entire world's gold reserves. It was considered the world's greatest power.

The Soviet Union, on the other hand, had lost 10% of its population, more than 30 thousand industrial plants, ten thousand agricultural complexes and 659,000 kilometers of railroad tracks, yet,

after the war Soviet coal production doubled it's pre war amount, so did its electricity production. However, the Soviet Union is the only country which developed territorially. The Baltic lands, White Russian terriritory, Serbia, North Bougovin and part of Finland were attacked by Soviet Russia. It also supervises poland, Romania, Hungary, Bulgaria, Czechoslovakia, Austria, Yugoslavia and one half of Germany and is regarded as Europe's most powerful country militarily speaking (8).

World systems follow two paterns or poles after World War II.. Its repercussions are seen and felt in most world problems. The United States of America adopted several types of policies simultaneously:

A. To strengthen Europe against the Soviet Union. This was materialized economically through the Marshall Plan, and, militarily, through the NATO.

B. Military and economic aid to countries threatened by Russia or its agents. This plan began with the Truman Plan rendering immediate assistance to Greece and Turkey to combat communism from within.

Wherever possible, this policy was carried out through agreements or military aid such as the OAS (Latin America); the Anzus (Australia and New Zealand); the SEATO and the SENTO. In certain instances, bilateral agreements gave greater strength to these relations. Agreements (or treaties) with the Philippines; Korea, Taiwan and Japan were of this type. Except the NATO Treaty which presented a relative balance between the U.S.A. and Europe for conclusion of a military pact, other treaties signed were on unequal footing between the two

parties and it was this imbalance which turned these treaties into a series of colonial agreements. For example, the OAS treaty that calls for joint action to repel aggression towards any country by a 2/3 vote, no demarcation is set forth between local and foreign aggression and, therefore Canada, which is a NATO member is not included in this treaty (OAS).(9)

Opposition to communism, during this period, was not made through aid to countries in danger. Rather, such opposition was made by the presence of the U.S.A. against the probable or imaginary presence of the U.S.S.R. in those countries. This is the real mode of action of the two poles during this time.

Before the start of the appeasement period between the East and the West, the U.S.A. was the sole power contending communism military. The U.S.A.'s military interference in Korea (1950), in Guatemala (1954) in Lebanon (1958) and then in Cuba and Vietnam are proof of such policy .

Following the Anglo-French defeat in the Middle East (1956) and the emergence of problems over the Suez Canal, the aforesaid policy was again reaffirmed by Eisenhower and is known as the Eisenhower plan. The plan has articles according to which support was to be given to any state subjected to aggression by any state under communist influence and American economic help to be extended to governments in those regions that would enter into agreement with the U.S.A. to enhance their military strength (10).

The principles and objectives of the U.S.A.'s economic aid in the post-war period will be taken up in a separate chapter.

With the emergence of the balance of terror and the necessity of coexistence, also the coming to power of Europe along with quantitative and qualitative growth of the Third World countries, the world's rigid bi-polar system was ameliorated. For this reason, changes in the U.S.A.'s foreign policy became evident with the start of the Nixon administration. The need for such changes are summed up by Henry Kissinger, the former U.S. secretary of state in the following terms:

"America's approach or attitudes toward international relations for the solution of the problems that were dealt with during the First two post-war decades were proper. Wherever we turned, we faced deeper displacements which it was not possible to draw up without our help .... International conditions have become much more complex in the latter years of the 1960. The U.S.A. is no longer in a position to carry out certain programs on the world level alone. The U.S.A. must encourage the execution of these programs and get other countries to cooperate and participate in their solution. In other words, the U.S.A. is no longer in a position to be able to impose on others the solutions itself prefers.

...."The best and most signified expression of our world aim becomes manifest in teamwork and cooperation with others.... Therefore, to be able to perform a continuous, effective role in the world, we ought to create unions and coalitions that have common objectives.

"Regional treaties which receive American support, should assume major responsibilities regarding their area problems and the U.S.A. should be concerned more with establishing order and security on a

world basis and not become involved in the solution of regional problems."

Today's analysis, affected by the Vietnamese War are reflected in Kissinger's writings in the following words:

".... The Vietnam War has given the U.S.A. a warning that is not to get easily involved in regional conflicts."(11)

Since force knows no logic expect force, it is only with the logic of force that it may be withdrawn or retracted. Thus, they all defended direct military intervention as long as it works. But, with the stinging defeat they sustained in Vietnam, their reasoning shifted to avoidance of direct intervention. To carry out this policy, the creation of regional gendarmeries and boosting the military power of regional states took top priority in the foreign policy of the U.S.A. And local or regional interventions were assigned to these gendarmes. An outstanding example of this policy may be the bolstering of the shah's regime, support of his interference in the Zofaar and the Horn of Africa.

The Carter period ought to be regarded as the purgatory between Nixon policies and Reagan's invasion. During this period, the U.S.A. tried more up-to-date weapons such as human rights but its inefficiency soon became clear because Carter's claim to human rights was not due to his belief in them, but rather due to helplessness, for the older weapons were not so effective in his days. So, implementation of new ways in the foreign policy was incumbent. And as the new ways met with defeat, Reagan stepped into the Withe House with more aggressive and fascistic policies than Carter and even his Republican

predecessors He meant to revive the past sweet memories of America, but, before this was achieved, American interests received severe blows. The victory of the Islamic Revolution in Iran, the occupation of the Spy Den (U.S. embassy in Tehran) and the Nicaraguan revolution can be considered among such major setbacks. It will be difficult or even impossible for Reagon to remedy these losses. And now, Reagan is here to restore the lost American power. The problem is, however, that attaining this purpose is impossible, at least so, by the use of former means and methods. If the U.S. was able in 1958, to pacify Lebanon with a few thousand soldiers it had wished and establize the rule of Camil Chamoun, it is unable to do today even with the help of its French, British, Italian and even Israeli friends. Rather, it had to withdraw with heavy casualties. If the U.S.A. could stage a military intervention in the past, today, it can only attack a small island like Geranada in the West Indies.

Principles Governing U.S. Foreign Policy Subtitle

French professor Takolli says the following about the U.S. foreign policy.

"Foreign policy is rarely adaptabale to the specific characterist ics of a democracy. On the contrary, foreign policy demands, almost all things that are disagreeable to democracy."(12)

By principles governing U.S. foreign policy, we mean its most general principles, the spirit that governs decision-making

The most important principle of any country's foreign policy is to protect and expand that country's national interests. Naturally, this applies to the U.S.A. as well. But, the important point is the

definition of the words "national interests." With respect to American "national interests", the important point is it lacks a "value" dimension. This means that some countries belive, apart from material consideration, in certain ethical and humane principles that have value dimentions and observe them part of their foreign policy. Or, in protecting their material interests, at least, avoid adoption of unethical policies and consider some ethical and value principles in defining their national interests.

In American foreign policy, especially after W.W.II everything is viewed through power and force media. And as it finds the current world trend against its past position, therefore, America has ingnored those human values and standards in order to maintain that position.

Forgetting the past and remembering just its sweet memories is a fact that many U.S. presidents, since Eisenhower, to some extent have realized and acted accordingly as far as possible. It is just Reagan who wants to return to the old ways and, naturally, all he can do is to voice mottos for this:

In policies such as these (Reagan's), if there are instances of value like those relating to human rights, it is not dictated by cordial belief, but rather by national expediency, and when it doesn't work, it vanishes as fast as it appears.

To clarify the matter further, some points collated from the volume "American National Security Policy in the 1980" are given here below:

The authors of this book are mainly Reagan's advisors. Thirteen chapters of the book are written by various people with implicit or

explicit common views on the following subjects:

The U.S.A. has vital rights and interests in certain areas (in other areas, it has second degree interests) which must be defended, otherwise such interests can no longer be defind as vital.

B. It is necessary for the U.S.A. not to abadon any of its allies, just as it should not hesitate to cooperate with governments having economic or strategic importance such as South Africa and Brazil.*

C. In spite of the diverse opinions of the writers regarding the possibility and manner of U.S. intervention to support foreign interests, they all agree in principle to such a right for the U.S.A. in all countries of the world (even implicitly)(13).

All of the U.S. foreign policies in various areas are influenced by what is stated above. And, now we shall attend to, as far as possible, evaluate the titles that appear in these documents. Consideration of points discussed in these documents sheds sufficient light on the imperialist nature of America.

Muslim Students Following
the Line of the Imam
Fall 1366- 1987

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* When writing this book, Brazil was under the domination of military dictators.

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SUBJECT: BROAD TRENDS FORECAST

REF: STATE 291277 OF DECEMBER 7, 1977

1. THE FOLLOWING FORECAST OF BROAD TRENDS IN GLOBAL DEVELOPMENTS EXPECTED OVER THE NEXT 18 MONTHS WAS PREPARED BY INR AT THE REQUEST OF S/P AND M AND IS OFFERED FOR GENERAL BACKGROUND AND GUIDANCE. IT MAY BE READ IN THE CONTEXT OF REFTEL AND OTHER MESSAGES ON THE SAME SUBJECT AND YOUR WORK ON GOALS AND OBJECTIVES.

2. THE FORECAST IS DESCRIPTIVE, NOT PRESCRIPTIVE. IT DOES NOT PROPOSE OR ADVOCATE POLICY BUT ATTEMPTS TO CHARACTERIZE THE FOREIGN POLITICAL, ECONOMIC, AND MILITARY ENVIRONMENT IN WHICH POLICY DECISIONS WILL BE MADE AND IMPLEMENTED.

3. THE FORECAST BEGINS WITH A DISCUSSION OF TRENDS BY REGION, DISCUSSES THE INTERNATIONAL ECONOMY, AND PROJECTS LIKELY DEVELOPMENTS IN HUMAN RIGHTS; CONTROL OF TERRORISM, CONVENTIONAL ARMS, AND NUCLEAR PROLIFERATION; EQUITABLE ALLOCATION OF GLOBAL RESOURCES, PARTICULARLY ENERGY AND FOOD; AND SATISFACTION OF BASIC HUMAN NEEDS UNDER CONDITIONS OF RAPID, AND DIFFERENTIAL, POPULATION GROWTH.

4; THE FOLLOWING MAIN POINTS EMERGE:

(A)--THE TREND TOWARD INTERDEPENDENCE AND THE DIFFUSION OF POWER IS ACCELERATING.

(B)--ECONOMIC DEVELOPMENTS ARE INCREASINGLY DOMINATING THE POLITICAL ATMOSPHERE.

(C)--THE EAST-WEST POWER BLOCS CONTINUE AS MAJOR FORCES ON THE WORLD STAGE BUT THE ARRAY OF DEVELOPING COUNTRIES IS GROWING IN INTERNAL DIVERSITY, WITH A GROUP OF SO-CALLED UPPER-TIER COUNTRIES MOVING RAPIDLY INTO POSITIONS OF GREATER ECONOMIC AND POLITICAL INFLUENCE.

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(D)--REGIONAL CONFLICTS CONTAIN THE POTENTIAL FOR BECOMING BROADER CONFRONTATIONS, E.G;, ARAB-ISRAELI; SOUTHERN AFRICA; THE HORN OF AFRICA.

5. REGIONAL SURVEY

6. WESTERN EUROPE, WESTERN EUROPE IS LIKELY TO REMAIN PREOCCUPIED WITH ECONOMIC PROBLEMS: CONTAINING INFLATION AND BALANCE OF PAYMENTS DEFICITS WHILE REDUCING UNEMPLOYMENT. PRESSURES TOWARD PROTECTIONISM AND ECONOMIC FRICTIONS WITH OUR INDUSTRIALIZED PARTNERS ARE LIKELY TO CONTINUE.

7; MAJOR EUROPEAN STATES WILL CONTINUE TO BE CONCERNED, SIMULTANEOUSLY, OVER THE FUTURE OF DETENTE AND OVER INCREASES IN SOVIET MILITARY MIGHT, PARTICULARLY SOVIET TANK STRENGTH, THE SS-20, AND DEVELOPMENT OF A NEW SOVIET ICBM GENERATION; THE EUROPEANS WILL WATCH US-SOVIET DISARMAMENT TALKS CLOSELY TO SEE THAT THEIR INTERESTS ARE NOT OVERLOOKED. ALLIED AGREEMENT IN PRINCIPLE TO PROSPECTIVE DEPLOYMENT OF ENHANCED RADIATION WEAPONS AND THEIR USE IN DISARMAMENT NEGOTIATIONS WILL BE CONTROVERSIAL IN INTERNAL POLITICS IN SOME COUNTRIES.

8; BECAUSE NO EARLY RESOLUTION OF THE GREEK-TURKISH DISPUTE IS LIKELY, NATO'S SOUTHERN FLANK WILL REMAIN UNSTEADY GREECE IS UNLIKELY TO RESTORE COMPLETE MILITARY COOPERATION WITH NATO; DELAY IN RESTORING A US MILITARY RELATIONSHIP WITH TURKEY WOULD DELAY MODERNIZATION OF ITS MILITARY ESTABLISHMENT AND ADVERSELY AFFECT NOT ONLY US-TURKISH RELATIONS BUT TURKEY'S NATO ORIENTATION. AT THE SAME TIME, OUR RELATIONS WITH GREECE--AND THE INTERNAL POLITICAL SCENE IN GREECE--WILL REMAIN TROUBLED.

9. ELECTIONS ARE IN PROSPECT IN ITALY AND THE UK. IN THE LATTER, ECONOMIC ISSUES WILL DOMINATE, BUT ITALY'S SERIOUS STRUCTURAL WEAKNESSES WILL BE SECONDARY TO A POLITICAL STRUGGLE OVER COMMUNIST PARTICIPATION IN GOVERNMENT TERRORISM COULD FORCE CHANGES IN TODAY'S POLITICAL ALIGNMENTS;

10; ONLY SLIGHT PROGRESS TOWARD INCREASED EUROPEAN INTEGRATION CAN BE EXPECTED, AND SOME RETROGRESSION IS POSSIBLE. THE EC WILL PREPARE FOR DIRECT ELECTIONS TO THE EUROPEAN PARLIAMENT, NEGOTIATIONS WILL BEGIN TOWARD BRINGING GREECE, SPAIN, AND PORTUGAL INTO THE EC, BUT FORMIDABLE ECONOMIC PROBLEMS WILL PREVENT EARLY AGREEMENT COMPETITION IN AGRICULTURAL PRODUCTION AND FEAR OF THE EXPORT OF UNEMPLOYMENT WILL BE DIFFICULT ISSUES.

11. USSR AND EASTERN EUROPE DESPITE AGREEMENT ON A VARIETY OF ISSUES OF MUTUAL CONCERN, RANGING FROM A POTENTIAL SALT II AND OTHER DISARMAMENT ACCORDS TO EXPANDED EXCHANGE PROGRAMS, THE ATMOSPHERE IS LIKELY TO REMAIN

UNEASY. IN ADDITION TO THE IMMEDIATE PROBLEMS POSED BY SOVIET INVOLVEMENT IN AFRICA, SOVIET EXPLOITATION OF OTHER THIRD WORLD OPPORTUNITIES MAY EXACERBATE RELATIONS FURTHER. NEVERTHELESS, EXPECTED CONCRETE PROGRESS ON A VARIETY OF BILATERAL MATTERS WILL TEND TO INSULATE THE POLITICAL ATMOSPHERE AGAINST ANY SHARP DETERIORATION;

12. BUT FAILURE TO CONCLUDE, OR SUBSEQUENT FAILURE TO RATIFY, A SALT II AGREEMENT WOULD SERIOUSLY IMPAIR US/ SOVIET RELATIONS AND EAST-WEST DETENTE GENERALLY; THE SOVIETS INITIALLY WOULD CONTINUE TO MAINTAIN ALTERNATE INTERIM ARRANGEMENTS TO HOLD THE STRATEGIC RELATIONSHIP IN CHECK. BUT POLITICAL PRESSURE FOR ARMS BUILD-UPS WOULD INCREASE IN THE USSR TOWARD THE CLOSE OF 1978 AS SOVIET ANNUAL PLAN DECISIONS APPROACH.

13. LEADERSHIP CHANGE IN THE USSR COULD REINFORCE THESE TRENDS OR IMMOBILIZE THE DECISION-MAKING PROCESS IN MOSCOW. OUR BEST GUESS IS THAT THE SUCCESSION, WHEN IT COMES, WILL SLOW DOWN THE DECISION-MAKING PROCESS BUT THAT MOSCOW WILL NOT NEGLECT PERCEIVED TARGETS OF OPPORTUNITY IN THE THIRD WORLD; AT LEAST OVER THE NEAR TERM, WE EXPECT THE INWARD ORIENTATION OF THE SUCCESSOR REGIME WILL BECOME MORE PRONOUNCED; YET, WE ALSO EXPECT THAT THE LONG-TERM TREND IN SOVIET FOREIGN POLICY IS LIKELY TO BE ONE OF CONTINUITY.

14. IN ITS RELATIONS WITH EASTERN EUROPE, WE EXPECT THE USSR TO STRIVE FOR GREATER IDEOLOGICAL CONFORMITY AND FOREIGN POLICY COORDINATION THE SOVIETS WILL CONTINUE TO FACE THE PROBLEM OF HOW TO SHIFT SOME OF THE BURDEN-SOME ASPECTS OF EAST EUROPEAN ECONOMIC DEPENDENCY ONTO THE WEST WITHOUT JEOPARDIZING THEIR HOLD ON THE AREA. POLAND MAY WELL BE THE MOST DELICATE PROBLEM. WE EXPECT THE SOVIETS TO CONTINUE TO PRESS FOR CLOSER COOPERATION WITH PRO-SOVIET ELEMENTS IN THE ARMED FORCES AND PARTY IN YUGOSLAVIA, ANTICIPATING OPPORTUNITIES WHICH MAY ARISE AFTER TITO'S DEATH.

15. CHINA. THE CHINESE LEADERSHIP WILL CONTINUE TO BE CHARACTERIZED BY DIFFERENCES AMONG THOSE IN POWER BUT ALSO BY CONSENSUS ON THE NEED FOR PRAGMATIC DEVELOPMENT POLICIES. THERE WILL BE ESSENTIAL ADHERENCE TO THE MAO-CHOU FOREIGN POLICY. A DELAY IN NORMALIZATION OF US-PRC RELATIONS IS UNLIKELY TO CAUSE A DETERIORATION IN THE RELATIONSHIP, PROVIDED THAT PEKING BELIEES THAT THE US REMAINS FIRM AGAINST THE USSR AND ADHERES TO THE SHANGHAI COMMUNIQUE BY NOT ADOPTING ANY VARIANT OF A "TWO-CHINA" POLICY.

16. PEKING WILL CONTINUE TO CONSIDER MOSCOW ITS PRINCIPAL ADVERSARY AND PUJSUE ITS DIPLOMATIC OPPOSITION TO THE USSR AROUND THE WORLD. THE CHINESE, FOR EXAMPLE, SUPPORT ASEAN ANDSEGYPTIAN INITIATIVES FOR PEACE IN THE MIDDLE EAST AS WAYS OF BLOCKING EXPANSION OF SOVIET INFLUENCE.

THE PRC WILL CONTINUE TO VIEW THE US AND THE OECD COUNTRIES AS A GLOBAL COUNTERWEIGHT TO THE USSR AND AS A SOURCE OF TRADE AND TECHNOLOGY.

17. WE CAN EXPECT THE PRC TO BE FLEXIBLE IN ITS DEALINGS WITH WARSAW PACT COUNTRIES WITH THE AIM OF TRYING TO WEAKEN THEIR TIES WITH MOSCOW. ALTHOUGH IT WILL CONTINUE TO VOICE "MILITANT SOLIDARITY" WITH THE THIRD WORLD, PEKING WILL ENCOURAGE EUROPEAN COUNTRIES AND REGIONALLY POWERFUL LDCS SUCH AS IRAN AND SAUDI ARABIA TO COUNTER SOVIET INFLUENCE IN THE THIRD WORLD RATHER THAN INCREASE ITS OWN AID TO LDCS.

18. EAST ASIA AND THE PACIFIC. JAPAN WILL REMAIN STABLE POLITICALLY, BUT THE INFLUENCE OF MODERATE OPPOSITION PARTIES WILL INCREASE. ITS MAJOR PROBLEM WILL BE TO ADJUST ITS DOMESTIC ECONOMY AND FOREIGN TRADE TO COPE WITH INTERNATIONAL CRITICISM IN WAYS THAT ARE NOT ECONOMICALLY DESTABILIZING AND POLITICALLY UNPOPULAR AT HOME/ JAPAN WILL HAVE TROUBLE MEETING THE GROWTH GOALS IT HAS SET WHILE REDUCING THE TRADE IMBALANCES THAT ARE OF CONCERN TO THE US. SECURITY TIES BETWEEN JAPAN AND THE US WILL REMAIN BINDING, AND JAPAN, WITH US ENCOURAGEMENT, WILL GRADUALLY IMPROVE ITS OWN DEFENSE CAPABILITY.

19. SOUTH KOREA WILL CONTINUE ITS REMARKABLE ECONOMIC MODERNIZATION AND BECOME INCREASINGLY SELF-RELIANT. US TIES WITH SOUTH KOREA WILL PROBABLY REMAIN CLOSE DESPITE STRAINS CAUSED BY CONGRESSIONAL INVESTIGATIONS OF KOREAN INFLUENCE BUYING, HUMAN RIGHTS ISSUES, AND TROOP WITHDRAWAL AND COMPENSATION ARRANGEMENTS.

20. IN NORTH KOREA, ECONOMIC PROBLEMS WILL FORCE RETRENCHMENT, REQUIRING HARD BUDGET CHOICES BETWEEN ECONOMIC DEVELOPMENT AND THE MILITARY. BARRING UNEXPECTED SERIOUS INSTABILITY IN THE SOUTH, THE NORTH PROBABLY WILL REFRAIN FROM ATTACK OR PROVOCATION OVER THE DMZ.

21. ASEAN MUTUAL COOPERATION WILL EXPAND DESPITE POSSIBLE LEADERSHIP CHANGES IN INDONESIA AND MALAYSIA. RELATIONS WITH THE US SHOULD CONTINUE TO BE FRIENDWY

BUT MAY BE STRAINED PERIODICALLY BY HUMAN RIGHTS ISSUES. THERE WILL BE A CONTINUED WARINESS OF THE LONG-TERM INTENTIONS OF CHINA, VIETNAM, AND THE USSR IN SPITE OF GRADUAL ATTEMPTS TO IMPROVE FORMAL RELATIONS WITH THESE COUNTRIES.

22. THE INDOCHINA STATES WILL BE PREOCCUPIED BY INTERNAL DEVELOPMENTS, ESPECIALLY FOOD PROBLEMS, AND WITH FRICTIONS OVER BORDERS. TENSION BETWEEN VIETNAM AND CHINA--PARTICULARLY OVER CAMBODIA--WILL CONTINUE BUT AN OPEN BREAK IS UNLIKELY, UNLESS HANOI LAUNCHES A MAJOR MILITARY EFFORT TO TOPPLE CAMBODIA BY FORCE.

23. AUSTRALIA AND NEW ZEALAND WILL CONTINUE TO BE POLITICALLY STABLE UNDER GOVERNMENTS FRIENDLY TO THE US BUT WILL BE CONCERNED OVER INTERNATIONAL TRADE RELATIONS AND ANY CONTINUED DETERIORATION IN THE DOLLAR.

24. SOUTH ASIA. THE CENTRAL CONCERNS ACROSS SOUTH ASIA WILL CONTINUE TO BE ECONOMIC DEVELOPMENT AND TRADITIONAL BALANCE-OF-POWER CALCULATIONS AND SECURITY INTERESTS. PAKISTAN AND BANGLADESH, IN PARTICULAR, ARE LIKELY TO FACE POLITICAL UNREST AS MILITARY GOVERNMENTS TRY TO COPE WITH THESE PROBLEMS.

25, PAKISTANI NEGOTIATIONS WITH FRANCE OVER A REPROCESSING FACILITY AND INDIA'S POSITION ON NUCLEAR SAFEGUARDS WILL POSE DIFFICULT POLICY DECISIONS. INDIA'S INTEREST IN A NEW ADVANCED FIGHTER AIRCRAFT COULD FUEL A NEW ROUND OF THE REGIONAL ARMS RACE. INDIAN-CHINESE RELATIONS ARE LIKELY TO IMPROVE, BUT AT A DELIBERATE RATE.

26. MIDDLE EAST AND PERSIAN GULF. THE SEARCH FOR AN ARAB-ISRAELI SETTLEMENT WILL CONTINUE TO SHAPE EVENTS IN THE MIDDLE EAST. THERE IS DISILLUSIONMENT IN BOTH EGYPT AND ISRAEL, AND THROUGHOUT THE ARAB WORLD, OVER THE LACK OF PROGRESS IN THE PEACE EFFORT. A SIGNIFICANT BREAKTHROUGH WILL BE NECESSARY IN THE NEAR FUTURE IF SADAT IS TO BE ABLE TO CONTINUE TO NEGOTIATE WITH ISRAEL. TOWARD THIS END, HE AND THE ARAB MODERATES WILL CONTINUE TO PRESS THE US TO INFLUENCE ISRAEL TO MAKE CONCESSIONS THAT WILL SUSTAIN THE PEACE PROCESS.

27. IF THE SADAT INITIATIVE FAILS, WE CAN EXPECT SERIOUS REPERCUSSIONS IN THE REGION: A SHIFT BY SADAT TOWARD A MORE BELLICOSE STANCE VIS-A-VIS ISRAEL, POSSIBLE REPLACEMENT OF SADAT BY A MORE RADICAL AND UNFRIENDLY EGYPTIAN REGIME, DISILLUSIONMENT AND BITTERNESS ON THE PART OF ARAB MODERATES, AND THE STRENGTHENING OF REJECTIONIST AND SOVIET INFLUENCE IN THE AREA.

28. IN ISRAEL, DEPENDING ON HOW THE ISRAELI PUBLIC PERCEIVE IT, THE COLLAPSE OF NEGOTIATIONS COULD HAVE A UNIFYING OR A DIVISIVE IMPACT ON THE POLITICAL SCENE: THERE COULD BE A RALLYING AROUND THE GOVERNMENT AS AN ACT OF DEFENSIVE SOLIDARITY OR MOUNTING PRESSURE FOR A GOVERNMENT OF NATIONAL UNITY UNDER NEW LEADERSHIP. IN ANY CASE, PRIME MINISTER BEGIN'S DEPARTURE FROM POLITICS FOR HEALTH OR POLITICAL REASONS IS A STRONG POSSIBILITY OVER THE NEXT YEAR OR SO. IT COULD HAPPEN CONSIDERABLY SOONER IF THE ISRAELI PUBLIC WERE TO HOLD HIM LARGELY RESPONSIBLE FOR A SERIOUS DETERIORATION IN THE US-ISRAELI RELATIONSHIP.

29. SHOULD THE PEACE PROCESS FAIL, THE US IS LIKELY TO BE BLAMED, REGARDLESS OF THE REASONS FOR THE FAILURE ITSELF, AND US RELATIONS WITH KEY COUNTRIES IN THE REGION WILL SUFFER. RENEWED HOSTILITIES ON A LARGE SCALE COULD NOT BE RULED OUT--IF THE ARABS AGAIN FELT CAPABLE OF CHALLENGING ISRAEL MILITARILY, OR IF THEY FELT THAT MILITARY ACTION WAS THE ONLY WAY IN WHICH TO GALVANIZE THE PEACE PROCESS, OR IF THE ISRAELIS CONSIDERED THAT THEIR SECURITY DEPENDED ON A PREEMPTIVE STRIKE.

30. LEBANON WILL REMAIN AN AREA OF CHRONIC INSTABILITY AND VIOLENCE, OWING TO THE LACK OF POLITICAL CONSENSUS AND THE CONTINUING PRESENCE OF LARGE NUMBERS OF ARMED PALESTINIANS.

31. PROSPECTS FOR CONTINUED PEACE AND STABILITY IN THE GULF ARE FAVORABLE, DESPITE GROWING FERMENT IN IRAN. SHORT OF ANOTHER ARAB/ISRAELI WAR, WE DO NOT EXPECT A DISRUPTION OF OIL SUPPLIES, ALTHOUGH TERRORIST ACTION COULD CAUSE SERIOUS SHORT-TERM DISRUPTIONS OF THE OIL FLOW. BUT IF THE PEACE INITIATIVE FAILS AND IF CONGRESS DENIES F-15'S TO SAUDI ARABIA, THE SAUDIS MAY STOP TRYING TO HOLD THE LINE ON OIL PRICES AND COULD EITHER CURTAIL, OR AT LEAST REFUSE TO EXPAND, PRODUCTION.

32. AN UNCERTAIN FACTOR IS THE DEGREE OF SOVIET/CUBAN SUPPORT FOR REGIONAL SOURCES OF INSTABILITY IN THE PDRY, OMAN, AND OTHER FUTURE "TARGETS OF OPPORTUNITY." SAUDI AND IRANIAN CONCERN AND COOPERATION IN RESPONDING TO SUCH PRESSURES IS LIKELY TO GROW.

33. AFRICA. THE CRISES IN SOUTHERN AFRICA AND PERSISTENT INSTABILITY IN THE HORN, ALONG WITH THE SIMMERING SITUATION IN THE WESTERN SAHARA, WILL CONTINUE TO DOMINATE THE AFRICAN SCENE. IN SOUTHERN AFRICA, THE TRANSITIONS TO MAJORITY GOVERNMENT IN RHODESIA AND NAMIBIA WILL REMAIN ON CENTER STAGE.

34. IN RHODESIA, SMITH AND THE "INTERNAL NATIONALISTS" HAVE LAUNCHED THE INTERNAL SETTLEMENT, BUT WHETHER THIS WILL CREATE A COHESIVE, STABLE REGIME IS OPEN TO SERIOUS QUESTION. SINCE ONLY SOME OF THE PARTIES ARE INVOLVED, THE NEW ARRANGEMENTS MAY INCREASE THE ALREADY HIGH RISK OF CIVIL WAR. IN NAMIBIA, A SOUTH AFRICAN DECISION TO PROCEED ON THE "INTERNAL TRACK" AND ABANDON THE NEGOTIATIONS WITH THE CONTACT GROUP WILL LEAD TO NEW PRESSURES FOR INTERNATIONAL SANCTIONS AGAINST PRETORIA.

35. IN THE HORN, NOW THAT SOMALIA HAS BEEN DEFEATED BY COMBINED ETHIOPIAN-CUBAN FORCES, THE SOVIETS MAY TRY TO USE THEIR LEVERAGE ON ADDIS ABABA TO REGAIN THEIR FORMER POSITION IN SOMALIA AND ACHIEVE PREDOMINANT INFLUENCE IN BOTH STATES. EVEN IF MOSCOW IS UNSUCCESSFUL, SOVIET AND CUBAN INFLUENCE WILL PROBABLY BE IN THE ASCENDANCY IN ETHIOPIA FOR THE FORESEEABLE FUTURE. IT SEEMS LIKELY, FOR EXAMPLE, THAT BOTH COUNTRIES WILL HELP ADDIS ABABA RECONQUER ERITREA FROM THE INSURGENTS. THE STABILITY OF THE NEW STATE OF DJIBOUTI IS IN DOUBT AND WILL BE AFFECTED BY FRENCH WILLINGNESS TO MAINTAIN A MILITARY PRESENCE THERE.

36. IN THE WESTERN SAHARA, THE LIKELIHOOD OF AN EARLY POLITICAL SOLUTION OF THE CONFLICT APPEARS REMOTE. THE ALGERIAN-BACKED SAHARAN INDEPENDENCE MOVEMENT WILL BE UNABLE TO MAKE SIGNIFICANT GAINS SO LONG AS THE MOROCCO-MAURITANIAN ALLIANCE RECEIVES SIGNIFICANT MILITARY ASSISTANCE FROM FRANCE. THE SOVIET UNION, WHILE REMAINING PUBLICLY NEUTRAL IN THE DISPUTE, WILL CONTINUE

TO SUPPLY ALGERIA WITH LARGE QUANTITIES OF SOPHISTICATED WEAPONS.

37. IN A NUMBER OF OTHER AFRICAN COUNTRIES, CHRONIC PRESSURES AND POLITICAL TENSIONS COULD ERUPT SUDDENLY OVER THE NEXT 18 MONTHS AND CREATE NEW AREAS OF TENSION, AS A RESULT OF SUCH DEVELOPMENTS AS THE DEATH OF KENYATTA, NYERERE, OR IDI AMIN; LIBYAN-BACKED INSURRECTIONS IN CHAD; RIVALRIES BETWEEN MALI AND UPPER VOLTA; ECONOMIC COLLAPSE IN ZAIRE.

38. WESTERN HEMISPHERE. ATTENTION IS LIKELY TO FOCUS AGAIN ON MUTUAL ECONOMIC CONCERNS OF A REGIONAL AND GLOBAL NATURE ONCE THE CANAL ISSUE IS RESOLVED. MILITARY CONFLICT OVER LONG-STANDING BORDER AND TERRITORIAL DISPUTES BETWEEN PERU, CHILE, AND BOLIVIA; BETWEEN PERU AND ECUADOR; BETWEEN SALVADOR AND HONDURAS; BETWEEN ARGENTINA AND CHILE; AND BETWEEN AN INDEPENDENT BELIZE AND GUATEMALA ARE UNLIKELY BUT CANNOT BE RULED OUT. AS THE SOMOZA REGIME IN NICARAGUA TRIES TO MAINTAIN INTERNAL CONTROL, GUERRILLA OPERATIONS BASED IN COSTA RICA MAY PRECIPITATE CONFLICT BETWEEN THOSE TWO COUNTRIES AS WELL.

39. HUMAN RIGHTS WILL REMAIN A SOURCE OF CONTROVERSY IN US BILATERAL RELATIONS WITH THE MILITARY GOVERNMENTS OF SUCH COUNTRIES AS ARGENTINA, CHILE, URUGUAY, PARAGUAY, AND EL SALVADOR. MEANWHILE, HUMAN RIGHTS PROPONENTS OUTSIDE GOVERNMENT, PARTICULARLY IN BRAZIL, WILL CONTINUE TO DRAW ENCOURAGEMENT FROM THE US HUMAN RIGHTS POLICY AND ATTEMPT TO INVOLVE THE US IN PRESSURING THEIR GOVERNMENTS.

40. US OBJECTIVES IN THE NUCLEAR NON-PROLIFERATION AREA WILL CONTINUE TO FACE STIFF OPPOSITION IN ARGENTINA AND BRAZIL BECAUSE OF EACH COUNTRY'S ANTICIPATED RESOURCE NEEDS AND DEEP POLITICAL COMMITMENT TO NUCLEAR INDEPENDENCE. ALTHOUGH NEITHER COUNTRY APPEARS WILLING TO DEFER ITS REPROCESSING PLANS, ARGENTINA APPEARS WILLING TO MOVE TOWARD US OBJECTIVES.

41. SEVERAL MILITARY GOVERNMENTS MAY COME TO AN END. THE SOMOZA REGIME IN NICARAGUA IS UNDER SEVERE PRESSURE FROM THE OPPOSITION. ECUADOR AND BOLIVIA ARE SCHEDULED TO HOLD PRESIDENTIAL ELECTIONS, AND PERU IS SCHEDULED TO ELECT A CONSTITUENT ASSEMBLY IN 1978. MILITARY RULERS IN ARGENTINA, CHILE, AND URUGUAY ARE PUBLICLY COMMITTED TO THE EVENTUAL RESTORATION OF CIVILIAN CONTROL BUT ONLY THE URUGUAYAN MILITARY IS OPENLY DISCUSSING PLANS FOR HOLDING ELECTIONS BY 1981.

42. IN CANADA, SEPARATIST AND DEVOLUTION PRESSURES WILL PERSIST, AS WILL CONCERN ABOUT POSSIBLE US DOMINATION OF THE CANADIAN ECONOMY. HOWEVER, WE DO NOT FORESEE ANY SIGNIFICANT CHANGE IN US-CANADIAN RELATIONS.

43. THE INTERNATIONAL ECONOMY

44. TRADE, CREDIT, AND ECONOMIC GROWTH. WE DO NOT EXPECT ANY SERIOUS CHANGES IN MAJOR ECONOMIC TRENDS, BUT THE FUNDAMENTAL PROBLEMS OF ADJUSTMENT FACING THE WORLD ECONOMY ARE UNLIKELY TO BE RESOLVED OVER THE NEAR TERM.

45. THE AMERICAN ECONOMY IS EXPECTED TO GROW AT A RATE OF ABOUT 4.5 PERCENT PER YEAR, BUT A BIG TRADE DEFICIT IS INEVITABLE FOR 1978 AND, WITH IT, CONTINUED AND TROUBLESOME WEAKNESS OF THE DOLLAR. BY THE END OF 1978, THE US TRADE BALANCE MAY IMPROVE, WITH THE TRADE EFFECTS OF DOLLAR DEPRECIATION APPEARING IN THESTHIRD QUARTER. MOREOVER, IF THE BONN ECONOMIC SUMMIT PLANNED FOR JULY TAKES PLACE, RENEWED EMPHASIS WOULD BE PLACED ON REFLATIONARY MEASURES. MEANWHILE, ENERGY LEGISLATION THAT WOULD LIMIT MEDIUM-TERM IMPORTS OF PETROLEUM MAY CONTRIBUTE TO GREATER STABILIZATION OF THE DOLLAR.

46. THE JAPANESE TRADE AND CURRENT ACCOUNT SURPLUSES WILL CONTINUE TO SERIOUSLY COMPLICATE JAPAN'S RELATIONS WITH THE US AND THE EC. THE LAGGING GROWTH PERFORMANCE OF THE FRG IS EXPECTED TO CONTINUE, AND BONN WILL PROBABLY DO LITTLE TO SPEED UP ECONOMIC ACTIVITY IN ANY WAY W;ICH MIGHT INCREASE INFLATIONARY PRESSURES OR CREATE DOMESTIC POLITICAL PROBLEMS. THE PERFORMANCE OF THE OTHER MAJOR ECONOMIES OF THE OECD WILL NOT CHANGE MARKEDLY IN 1978 AS FEAR OF INFLATION REMAINS A MAJOR OBSTACLE TO DECISIVE MOVEMENTS TOWARD STIMULUS.

47. UNEMPLOYMENT WILL CONTINUE TO INCH UP THROUGHOUT UESTERN EUROPE AND GENERATE DOMESTIC PRESSURE FOR THE CONSERVATION OF EXISTING JOBS ALONG WITH PRESSURES FOR ECONOMIC STIMULUS. MANAGEMENT OF PROTECTIONISM WILL REMAIN A MAJOR CONCERN OF THE LEADING INDUSTRIAL COUNTRIES.

48. IRAN AND SAUDI ARA3IA ARE EXPECTED TO HOLD OIL PRICES STEADY IN 1978, BARRING FURTHER WEAKENING OF THE DOLLAR OR NEGATIVE DEVELOPMENTS IN THE MIDEAST. ALTHOUGH MODERATE PRICE INCREASES IN 1979 CAN BE ANTICIPATED ON THE BASIS OF CURRENT SAUDI ATTITUDES AND THE DESIRES OF OTHER OPEC MEMBERS, THESE WILL DEPEND, IN TURN, ON AN IMPROVEMENT OF O;L MARKET CONDITIONS, AND THIS CANNOT NOW BE PREDICTED WITH CONFIDENCE. THE OPEC MONETARY SURPLUS ;ILL CONTINUE TO DECREASE IN ABSOLUTE TERMS AND WILL BE A9SORBED WITH LITTLE DIFFICULTY.

49. IN EASTERN EUROPE, HARD CURRENCY DEBT WILL CONTINUE TO INCREASE. THE MOST SERIOUS PROBLEM IS POLAND'S HARD CURRENCY DEBT, CURRENTLY ESTIMATED AT DOLS 13 BILLION, AND A SOURCE OF PARTICULAR CONCERN TO WESTERN CREDITORS. WHILE POLAND APPARENTLY DOES NOT INTEND TO ASK FOR WESTERN ASSISTANCE IN THE FORM OF COMPREHENSIVE, FORMAL DEBT RESCHEDULING AT THIS TIME, PRESSURES FOR A SHIFT IN THIS ,OLICY COULD GROW IN THE NEXT YEAR.

SECRET

50. SOVIET ECONOMIC GROWTH WILL APPARENTLY LAG BEHIND THE PACE CALLED FOR IN THE 10TH FIVE-YEAR PLAN (1976-80). IN INDUSTRY, PRODUCTION IS SCHEDULED TO INCREASE BY ONLY 4.5 PERCENT IN 1978, VS. THE AVERAGE ANNUAL RATE OF OVER 7 PERCENT REQUIRED IN 1978-80 TO MEET THE PLAN TARGET. IN THE WAKE OF THE ECONOMY'S DISAPPOINTING PERFORMANCE IN 1977, THE LEADERSHIP HAS BEEN STRESSING THE NEED TO RAISE EFFICIENCY AND PRODUCTIVITY--BUT WITHOUT OFFERING ANY CONCRETE REFORMS.

51. AS FOR US-SOVIET TRADE, THE LATTER HALF OF 1977 SAW A RESUMPTION OF HEAVY SOVIET GRAIN PURCHASES. HOWEVER, THE US--WITH ITS FARMERS SEEKING MARKETS FOR A BUMPER CROP--IS NOT IN A POSITION TO USE GRAIN SALES AS A DIPLOMATIC BARGAINING TOOL. WHILE FUTURE GRAIN TRADE CANNOT BE FORECAST ACCURATELY, THE PRESENCE OF THE JACKSON-VANIK AMENDMENT WILL LIMIT SHARPLY INCREASED TRADE IN MANUFACTURES. IN ANY EVENT, US OPPORTUNITIES TO EXERT ECONOMIC LEVERAGE ON THE USSR, THROUGH GRAIN OR OTHER MEANS, ARE LIMITED AT BEST.

52. NORTH-SOUTH RELATIONS. THE ECONOMIC DIALOGUE BETWEEN NORTH AND SOUTH WILL INVOLVE NEGOTIATION ON SPECIFIC ISSUES--DEBT, THE COMMON FUND, SPECIAL AND DIFFERENTIAL TREATMENT FOR DEVELOPING COUNTRIES IN THE TRADE NEGOTIATIONS, AND ARRANGEMENTS FOR PARTICULAR COMMODITIES. G-77 COHESION DIFFERS ON THESE ISSUES, SOMETIMES FORCING THEM TO LOWEST COMMON DENOMINATOR POSITIONS. THIS COMPLICATES RESOLUTION OF THE ISSUES AND INCREASES PRESSURES ON THE US TO MAKE DIFFICULT CONCESSIONS ON SPECIFIC ASPECTS OF THE NEGOTIATIONS.

53. THE NEWLY FORMED UN COMMITTEE OF THE WHOLE, CREATED TO MONITOR AND OVERSEE THE FUTURE COURSE OF NORTH/SOUTH DELIBERATIONS, MAY POLITICIZE CONSIDERATION OF ISSUES, AND UNCTAD V, SCHEDULED TO CONVENE IN MID-1979, MAY BE THE NEXT MAIN FOCAL POINT TOWARD ;HICH MANY DISCUSSIONS WILL BE DIRECTED. THE WIDE GAP BETWEEN THE POSITIONS OF THE G-77 AND THE DEVELOPED COUNTRIES ON CURRENT ISSUES IS NOT LIKELY TO BE BRIDGED IN THE NEXT YEAR. MEANWHILE, THE CURRENTLY SCHEDULED 1979 WORLD ADMINISTRATIVE RADIO CONFERENCE MAY ALSO BECOME AN ARENA FOR CONFLICTING NORTH-SOUTH VIEWPOINTS.

54. DEVELOPING COUNTRIES. THE NON-OIL DEVELOPING COUNTRIES WILL PROBABLY GROW IN 1978 AT A RATE SOMEWHAT BELOW THE 5-PERCENT LEVEL OF 1977. THIS REDUCED GROWTH RATE REFLECTS THE SLOWER GROWTH OF THE INDUSTRIAL COUNTRIES AS WELL AS THE EFFECT OF IMPORT RESTRAINTS IMPOSED IN RECENT YEARS. AFTER TWO YEARS OF IMPROVEMENT FROM THE VERY LARGE DEFICIT OF 1975, THE OVERALL CURRENT ACCOUNT DEFICIT OF THE OIL-IMPORTING LDCS IS EXPECTED TO INCREASE. EXPORT GROWTH UILL FALTER. TERMS OF TRADE WILL WORSEN

SECRET

SOMEWHAT, AND IMPORTS WILL INCREASE, ESPECIALLY IN THE UPPER-TIER LDCS.

55. SOME OF THE ADDITIONAL FINANCING NEEDED TO OFFSET THE LARGER CURRENT ACCOUNT DEFICIT OF THESE LDCS WILL PROBABLY BE PROVIDED BY MODERATE INCREASES IN OFFICIAL DEVELOPMENT ASSISTANCE, BY PRIVATE INVESTMENT, AND BY CONTINUED BORROWING O; PRIVATE CAPITAL MARKETS. NONETHELESS, A DRA;-DOWN OF RESERVES BUILT UP BY LDCS IN 1976 AND 1977 TO FINANCE DEFICITS IS LIKELY. CRITICAL DEBT AND BALANCE OF PAYMENTS PROBLEMS ARE ANTICIPATED FOR ONLY A FEW LDCS, BUT SEVERAL WILL HAVE TO CONTINUE PAINFUL ADJUSTMENT POLICIES.

56. FUNDS AVAILABLE TO SUPPORT DEVELOPING COUNTRIES WILL INCREASE. DONORS WILL CONSIDER BOTH AN INCREASE IN GENERAL CAPITAL, WHICH WOULD DOUBLE THE IBRD'S RESOURCES, AND A NEW IDA REPLENISHMENT.

57. APART FROM THIS, THE WORLD BANK GROUP'S LENDING WILL CONTINUE TO EXPAND, THOUGH AT A LOWER RATE THAN IN THE PAST. SELECTIVE INCREASES IN SUBSCRIPTIONS TO CAPITAL STOCK DECIDED ON IN MAY 1977 WILL ADD DOLS 8 BILLION TO THE IBRD'S AUTHORIZED CAPITAL OF DOLS 41 BILLION.

58. IMF LENDING CAPACITY WILL BE INCREASED BY THE DOLS 10 BILLION SUPPLEMENTARY FINANCING FACILITY (WITTEVEEN FACILITY), WHICH WILL REPLENISH THE IMF'S RESOURCES AVAILABLE FOR LOANS TO ASSIST MEMBERS WITH BALANCE OF PAYMENTS PROBLEMS. IMF RESOURCES SHOULD INCREASE BY AN ADDITIONAL DOLS 11 BILLION THROUGH ANTICIPATED QUOTA INCREASES. IN ADDITION, SEVERAL OECD COUNTRIES PLAN TO INCREASE THEIR BILATERAL DEVELOPMENT ASSISTANCE PROGRAMS.

59. LAW OF ;HE SEA. THE THIRD UN LAW OF THE SEA CONFERENCE IS CURRENTLY ENTERING A CRITICAL STAGE IN THE NEGOTIATIONS. THE SCHEDULED MARCH-MAY 1978 SESSION IN GENEVA MAY EITHER MARK THE END OF THE FORMAL NEGOTIATING PROCESS IN THIS FORUM OR THE BEGINNING OF ACCELERATED NEGOTIATIONS THAT MAY LEAD TO ULTIMATE COMPROMISE AND SUCCESS. IF THE NEGOTIATIONS BREAK DOUN, THE US WILL HAVE TO INSTITUTE POLICIES TO PROTECT ITS NATIONAL INTERESTS IN A NUMBER OF WAYS, INCLUDING SPECIFIC REGIONAL AND FUNCTIONAL AGREEMENTS ADDRESSED TO LOS ISSUES. IF PROGRESS IS MADE OR A BASIC COMPROMISE IS REACHED, HOWEVER, IT MAY PAVE THE WAY FOR PRACTICAL AGREEMENTS WITH THE MODERATE LDCS OR OTHER NORTH-SOUTH ISSUES AND REDUCE THE IDEOLOGICAL ELEMENT IN RELATED NEGOTIATIONS.

60. GLOBAL ISSUES

61. HUMAN RIGHTS. THE SOVIET UNION PROBABLY WILL CONTINUE TO DEAL HARSHLY WITH DISSIDENTS THROUGH VOLUNTARY AND INVOLUNTARY EXILE, PUBLIC TRIALS, ECONOMIC PRESSURES, HARASSMENT, AND FIRM POLICE ACTION. THE EXTENT OF RESTRAINT EXERCISED BY THE SOVIET GOVERNMENT WILL LARGELY BE DETERMINED BY ITS PERCEPTION OF DAMAGE TO ITS IMAGE AND

RELATIONS WITH THE WESTERN DEMOCRACIES. MOST WESTERN GOVERNMENTS WILL SUPPORT US INITIATIVES IN INTERNATIONAL FORUMS WHILE RESISTING ACTIONS THAT THEY FEAR WOULD UNDERMINE EAST-WEST DETENTE. IN MUCH OF THE THIRD WORLD, RIGHTS OF THE GROUP AND CONCERN WITH THE SATISFACTION OF BASIC HUMAN NEEDS WILL CONTINUE TO TAKE PRIORITY OVER INDIVIDUAL POLITICAL, LEGAL, AND CIVIL RIGHTS AS WE KNOW THEM.

62. AUTHORITARIAN REGIMES OF BOTH THE LEFT AND THE RIGHT WILL CONTINUE TO JUSTIFY THEIR METHODS OF GOVERNMENT ON IDEOLOGICAL, RELIGIOUS, AND SECURITY GROUNDS. HOWEVER, SOME GOVERNMENTS WILL CONTINUE TO CARRY OUT LIMITED REFORMS, ESPECIALLY WITH REGARD TO THE TREATMENT OF POLITICAL PRISONERS. NEVERTHELESS IN MOST COUNTRIES WE ANTICIPATE A SLOW BUT STEADY IMPROVEMENT IN THE AREA OF GROSS VIOLATION OF PERSONAL RIGHTS, INCLUDING TORTURE, KIDNAPPING, AND ARBITRARY IMPRISONMENT.

63. THE US ARTICULATION OF ITS HUMAN RIGHTS POLICY HAS GIVEN ENCOURAGEMENT TO OPPOSITION GROUPS IN MANY COUNTRIES THAT ARE CURRENTLY UNDER AUTHORITARIAN RULE. EVEN HALTING AND PARTIAL REFORMS IN RESPONSE TO US AND INTERNATIONAL PRESSURE CAN HAVE THE EFFECT OF RELEASING UNDERLYING FORCES FOR POLITICAL AND SOCIAL CHANGE. WHEN THIS OCCURS, THE GOVERNMENTS IN QUESTION WILL BE CONFRONTED WITH THE DILEMMA OF CHOOSING BETWEEN FURTHER REFORMS OR RENEWED REPRESSION OF POPULAR DISCONTENT.

64. TERRORISM. THE PRESENT PATTERN OF BOMBINGS, KIDNAPPINGS, ASSASSINATIONS, ARMED ATTACKS, AND HIJACKINGS IS UNLIKELY TO ABATE. LIBYA, IRAQ, SOUTH YEMEN, AND ALGERIA WILL CONTINUE TO PROVIDE SUPPORT TO SEVERAL KEY TERRORIST GROUPS AND ANARCHIST GROUPS IN ITALY AND GERMANY WILL CONTINUE TO BE ACTIVE, AS WILL IRA AND PROTESTANT

TERRORISTS IN NORTHERN IRELAND.

65. SOME PROGRESS WILL BE ACHIEVED IN DEVISING MORE EFFECTIVE INTERNATIONAL COUNTERTERRORISM MEASURES. NEVERTHELESS, DIFFERING MORAL AND POLITICAL PERSPECTIVES WILL STILL INHIBIT THESE EFFORTS. MANY STATES WILL REMAIN RELUCTANT TO COMMIT THEMSELVES TO ANY COURSE OF ACTION THAT MIGHT INVITE RETRIBUTION EITHER BY TERRORIST GROUPS OR BY STATES SYMPATHETIC TO THE TERRORIST CAUSE.

66. CONVENTIONAL ARMS RESTRAINT. THE OUTLOOK IS NOT PROMISING FOR A SIGNIFICANT CURTAILMENT OF THE FLOW OF CONVENTIONAL ARMS TO THE THIRD WORLD. MULTILATERAL COOPERATION TOWARD ARMS SALES RESTRAINT AMONG THE PRODUCING COUNTRIES IS DIFFICULT TO ACHIEVE BECAUSE OF A COMBINATION OF ECONOMIC SELF-INTEREST AND SKEPTICISM ABOUT THE LIKELIHOOD OF SUBSTANTIAL US ARMS SALE REDUCTIONS. BARRING UNLIKELY SOVIET AGREEMENT TO ARMS SUPPLY RESTRAINT, MOST WESTERN ARMS PRODUCERS FEAR THAT COOPERATION WITH THE US IN RESTRAINT WOULD PROVIDE THE SOVIETS THE OPPORTUNITY TO

FILL THE GAP AND THEREBY EXTEND ITS POLITICAL INFLUENCE AMONG LESS DEVELOPED COUNTRIES EVEN FURTHER.

67. THE HIGH DEMAND FOR ARMAMENTS IS LIKELY TO CONTINUE IN THE THIRD WORLD, EVEN AMONG THE MOST TECHNOLOGICALLY BACKWARD OF THE DEVELOPING COUNTRIES. ASPIRATIONS FOR POLITICAL PRESTIGE AS WELL AS INTERNAL AND EXTERNAL THREATS, REAL OR IMAGINED, WILL CONTINUE TO BE MOTIVATING FACTORS. THE INCREASED ABILITY OF THE UPPER TIER LDCS--E.G., INDIA AND BRAZIL--TO PRODUCE ARMS NOT ONLY FOR THEIR OWN USE BUT ALSO FOR EXPORT TO OTHER LDCS WILL BEAR WATCHING.

68. ARMS CONTROL NEGOTIATIONS. PROSPECTS ARE GOOD FOR THE SUCCESSFUL COMPLETION OF A SALT II AGREEMENT AND FOR THE CONCLUSION OF A COMPREHENSIVE TEST BAN TREATY (CTB), BUT THE MBFR AND INDIAN OCEAN ARMS LIMITATION TALKS MAY WELL REMAIN STALEMATED BARRING CURRENTLY UNFORESEEN DEVELOPMENTS.

69. AT MBFR, A NEW WESTERN INITIATIVE COULD REVIVE THE NEGOTIATIONS SOMEWHAT, BUT THE SOVIETS THUS FAR SHOW NO SIGNS OF ACCEPTING THE ASYMMETRICAL REDUCTIONS FAVORED BY THE WEST. IT IS DOUBTFUL THAT THERE WILL BE MUCH PROGRESS WITHOUT A MAJOR POLITICAL INPUT FROM BOTH SIDES, PERHAPS FOLLOWING A SALT II AGREEMENT.

70. THE INDIAN OCEAN ARMS LIMITATIONS TALKS HAVE BEEN COMPLICATED BY EVENTS IN THE HORN OF AFRICA. OTHERWISE, THERE WOULD BE A GOOD CHANCE OF REACHING AGREEMENT IN THE FIRST PHASE OF THE NEGOTIATION, WHICH IS AIMED TOWARD STABILIZATION OF THE PRESENT US AND SOVIET FORCE LEVELS.

71. THE UN SPECIAL SESSION ON DISARMAMENT (SSOD), SCHEDULED FOR MAY-JUNE 1978, IS LIKELY TO BE ONLY THE

FIRST OF A SERIES OF SUCH UN CONFERENCES OVER THE COMING YEAR. REGARDLESS OF THE OUTCOME OF THE SSOD, WE CAN EXPECT GROWING NON-ALIGNED PRESSURE FOR PROGRESS BY THE SUPERPOWERS TOWARD DISARMAMENT. THE SOVIETS WILL EMPHASIZE DISARMAMENT PROPOSALS FOCUSING ON ACTION BY OTHERS OR DESIGNED TO DEFLECT LDC CRITICISM AWAY FROM THEMSELVES.

72. NUCLEAR NON-PROLIFERATION. EXCEPT FOR THE SPECIAL CASE OF SOUTH AFRICA, THE NEXT 18 MONTHS PROMISE TO BE A PERIOD OF WAIT-AND-SEE FOR MOST COUNTRIES OF CONCERN TO THE US NON-PROLIFERATION INTEREST. OTHER COUNTRIES WILL BE WAITING TO SEE: (1) THE FINAL SHAPE OF US NUCLEAR EXPORT LEGISLATION AND THE WAY IT WILL BE APPLIED; (2) THE RESULTS OF THE CURRENT STUDIES OF THE NUCLEAR FUEL CYCLE, THE OUTCOME OF WHICH WILL HAVE MAJOR RAMIFICATIONS FOR US NON-PROLIFERATION POLICY; AND (3) THE RESULTS OF CTB AND OTHER ARMS CONTROL NEGOTIATIONS, CURRENTLY VIEWED BY THE NON-NUCLEAR STATES AS A TEST OF THE INTENTIONS OF THE SUPERPOWERS TO LIVE UP TO THEIR NPT OBLIGATION TO WORK TOWARD THE CONTROL OF VERTICAL AS WELL AS HORIZONTAL NUCLEAR PROLIFERATION.

73. WE SEE NO NEW EVIDENCE TO INDICATE THAT PRETORIA PLANS TO CONDUCT A NUCLEAR TEST IN THE NEAR FUTURE. NEVERTHELESS, THE SOUTH AFRICANS HAVE ACCELERATED ACTIVITIES AIMED AT INCREASING THEIR NUCLEAR SELF-SUFFICIENCY IN ORDER TO REDUCE THEIR VULNERABILITY TO SANCTIONS IF THEY WERE TO TEST A NUCLEAR DEVICE.

74. GLOBAL RESOURCES. OIL SUPPLIES WILL PROBABLY REMAIN IN SUBSTANTIAL SURPLUS OVER DEMAND THROUGH 1978 AND INTO 1979--PARTICULARLY IN VIEW OF MODEST EXPECTATIONS FOR GROWTH IN OECD DEMAND. NEW ADDITIONS TO SUPPLY CAN BE EXPECTED FROM THE NORTH SEA AND ALASKA, AND FROM RAPIDLY EXPANDING MEXICAN OUTPUT. WE DO NOT, HOWEVER, ANTICIPATE ANY IMMINENT TECHNOLOGICAL BREAKTHROUGHS THAT WOULD PERMIT NEAR-TERM RECOVERY OF ADDITIONAL SUPPLIES OF CONVENTIONAL ENERGY RESOURCES OR THE SUBSTITUTION OF NONCONVENTIONAL SOURCES OF ENERGY.

75. WORLD FOOD SUPPLIES APPEAR ADEQUATE FOR 1978 AND THE CONTINUING PROBLEMS WILL BE GLOBAL DISTRIBUTION. HOWEVER, DROUGHT IS CURTAILING PRODUCTION IN THE SOUTHERN HEMISPHERE, IN THAILAND, AND IN SAHELIAN AFRICA AND THE SURROUNDING AREA.

76. POPULATION GROWTH AT PRESENT RATES IN MANY LDCS WILL CONTINUE TO INHIBIT THE GROWTH OF PER CAPITA INCOME AND

THUS CHECK THE MOST VISIBLE IMPROVEMENT OF LIVING CONDITIONS FOR THE BULK OF THE WORLD'S PEOPLE. MORE PARTICULARLY, THE ACCELERATED GROWTH OF WORKING-AGE POPULATION IN DEVELOPING MARKET ECONOMIES WILL FURTHER INTENSIFY CURRENT PROBLEMS OF UNEMPLOYMENT AND UNDEREMPLOYMENT. POPULATION IN THE 15-TO-24 AGE GROUP IS PROJECTED TO GROW AT AN AVERAGE RATE OF 3.3 PERCENT A YEAR THROUGH 1980. THIS IS THE SAME AGE GROUP THAT HAS BEEN SEVERELY AFFECTED BY RECENT INCREASES IN UNEMPLOYMENT IN THE INDUSTRIALIZED DEMOCRACIES. IN SEVERAL WEST EUROPEAN COUNTRIES--THE UNITED KINGDOM, GREECE, ITALY, AUSTRIA, AND SPAIN--POPULATION GROWTH IN THIS AGE GROUP IS STILL ACCELERATING.

77. GLOBAL HEALTH AND RELATED PROBLEMS ARE LIKELY TO RECEIVE INCREASED GOVERNMENTAL ATTENTION BECAUSE 1979 HAS BEEN DECLARED THE INTERNATIONAL YEAR OF THE CHILD AND PREPARATIONS WILL BEGIN FOR THE INTERNATIONAL WATER DECADE THAT HAS BEEN DECLARED FOR THE 1980S. THE WORLD FOOD, POPULATION, AND HEALTH PROBLEMS THAT CURRENTLY EXIST WILL CONTINUE TO CHALLENGE SUCCESSFUL IMPLEMENTATION OF THE ASPECT OF US HUMAN RIGHTS POLICY THAT IS DESIGNED TO ADDRESS BASIC HUMAN NEEDS. VANCE

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TO ALL DIPLOMATIC AND CONSULAR POSTS
RUEFCR/USINT BAGHDAD 9018
RUQMBE/AMEMBASSY BEIRUT 5776
RUTAVC/AMEMBASSY BRAZZAVILLE 1462
RUEHSA/AMEMBASSY PRETORIA 3648
INFO RUEADWW/ NSC WASHDC 1365
RUEKJCS/ JCS WASHDC 1753
RUEAIIA/ CIA WASEDC 1629
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XMT AMEMBASSY MAPUTO
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S E C R E T SECTION 01 OF 24 STATE 302163/01

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FOR AMB OR CHARGE; INFORM CONSULS; PRETORIA PASS MAPUTO

E.O. 11652: GDS
TAGS: XX, PEPR

SUBJECT: GLOBAL POLICY MESSAGE

THE FOLLOWING DESCRIPTION OF US FOREIGN POLICY OBJECTIVES AND ACCOMPLISHMENTS, AS WELL AS EMERGING POLICY ISSUES, IS OFFERED FOR POSTS INFORMATION AND GUIDANCE IN CONNECTION WITH THE GOALS, OBJECTIVES AND RESOURCE MANAGEMENT (GORM) FY 81 EXERCISE. YOU ARE ALREADY WELL AWARE OF THE MAJOR THRUST OF THE FOREIGN POLICY GOALS OF THE ADMINISTRATION. THIS MESSAGE FOCUSES ON WHAT WE HAVE ACCOMPLISHED IN PROCEEDING TOWARD THOSE GOALS DURING THE LAST TWO YEARS, IN EACH MAJOR FUNCTIONAL AND GEOGRAPHICAL AREA, AND ON WHAT WE SEE AS THE EMERGING POLICY ISSUES DURING THE NEXT TWO YEARS AND BEYOND.
I WILL CONTINUE TO PURSUE OUR GOALS THROUGH BILATERAL INITIATIVES, THROUGH OUR PARTICIPATION IN THE UN AND OTHER INTERNATIONAL BODIES SUCH AS THE OAS, THROUGH OUR MEMBERSHIP IN NATO, AND THROUGH WHAT INFLUENCE WE CAN BRING TO BEAR ON REGIONAL ORGANIZATIONS TO WHICH WE DO NOT BELONG, SUCH AS THE EC AND THE OAU.

AMBASSADOR SHOULD GIVE THIS MESSAGE APPROPRIATE DISTRIBUTION AMONG VARIOUS ELEMENTS OF THE MISSION.

I. FUNCTIONAL AREAS

A. INTERNATIONAL ECONOMIC ISSUES

1. ENERGY. WHILE THE INITIAL CRISIS POSED BY THE OIL BOYCOTT AND THE QUADRUPLING OF OIL PRICES HAS PASSED, THE WARNING SIGNS OF FUTURE PROBLEMS ARE CLEAR. WE NEED TO REDUCE WESTERN DEPENDENCE ON IMPORTED OIL AND EASE THE TRANSITION TO A WORLD ECONOMY IN WHICH ALTERNATIVE ENERGY RESOURCES WILL PLAY AN INCREASINGLY IMPORTANT ROLE. AT THE SAME TIME WE MUST SEEK TO AVOID THE GLOBAL RISKS OF NUCLEAR PROLIFERATION.

WITHIN THE OECD, PARTICULARLY THE INTERNATIONAL ENERGY AGENCY, WE HAVE DONE MUCH TO MAKE ENERGY A FOCUS OF COOPERATION RATHER THAN DIVISIVENESS. AT BONN THE SEVEN SUMMIT COUNTRIES AGREED TO REDUCE DEPENDENCE ON IMPORTED OIL AND DEVELOP COAL, NUCLEAR, AND RENEWABLE ENERGY RESOURCES. THE US COMMITTED ITSELF TO IMPLEMENTING BY THE END OF 1979 MEASURES THAT WOULD RESULT IN OIL IMPORT SAVINGS OF 2.5 MILLION BARRELS/DAY BY 1985. AS A RESULT OF THE PASSAGE OF THE NATIONAL ENERGY ACT THIS FALL, WE NOW ANTICIPATE THAT BY 1985 WE WILL BE IMPORTING 2.4-2.9 MBD OF OIL LESS THAN OTHERWISE WOULD HAVE BEEN REQUIRED. BY 1985 WE PLAN TO ESTABLISH A STRATEGIC PETROLEUM RESERVE OF ONE BILLION BARRELS AND INCREASE COAL PRODUCTION BY TWO-THIRDS. IN ADDITION, THE ADMINISTRATION IS DETERMINED TO RAISE PRICES PAID FOR OIL IN THE US TO THE WORLD LEVEL BY THE END OF 1980. PRESIDENT CARTER'S DECISION IN MAY 1979 ON WHETHER TO CONTINUE US DOMESTIC CRUDE OIL PRICE CONTROLS WILL DOUBTLESS BE CLOSELY WATCHED BY DEVELOPED AND DEVELOPING COUNTRIES ALIKE.

AT THE BONN SUMMIT, PARTICIPANTS AGREED TO UNDERTAKE A COORDINATED EFFORT TO INTENSIFY BILATERAL ENERGY ASSISTANCE TO DEVELOPING COUNTRIES AND TO BRING INTO GREATER USE RENEWABLE ENERGY TECHNOLOGIES. THESE COMMITMENTS WILL REQUIRE VIGOROUS FOLLOW-UP AND SHOULD BE REFLECTED IN OUR GENERAL DEVELOPMENT ASSISTANCE AND TECHNOLOGY PROGRAMS OVER THE COMING YEARS.

MEXICAN OIL AND GAS RESERVES OVER THE LONGER TERM ARE LIKELY TO BECOME AN INCREASINGLY IMPORTANT ELEMENT IN THE ENERGY SUPPLY PICTURE.

OVER THE NEXT TWO YEARS THE GOAL OF OUR INTERNATIONAL ENERGY POLICY WILL BE TO REINFORCE THE MOMENTUM FOR LONG RUN ENERGY COOPERATION. WE WILL STRIVE TO MAINTAIN A UNIFIED CONSUMER COUNTRY POSTURE IN PRESSING FOR

RESPONSIBLE OPEC PRICE AND PRODUCTION POLICIES AND SEEK TO EXPAND FURTHER OUR COOPERATIVE BILATERAL RELATIONS WITH KEY OPEC PRODUCERS TOWARD THIS END. WE WILL ALSO INTENSIFY ACTIVITY IN THE INTERNATIONAL ENERGY AGENCY AND BILATERALLY TO STRENGTHEN COOPERATION ON ENERGY CONSERVATION AND R;D, PARTICULARLY THE DEVELOPMENT OF ALTERNATIVE ENERGY RESOURCES.

2. TRADE. TWO MAJOR ISSUES WE NOW CONFRONT ARE CONCLUDING THE MULTILATERAL TRADE NEGOTIATIONS AND DEALING WITH PROTECTIONIST PRESSURES.

A SUCCESSFUL MTN SHOULD LOWER TARIFF AND NON-TARIFF
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RUEHGR/USINT BAGHDAD 9019
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RUTAVC/AMEMBASSY BRAZZAVILLE 1463
RUEHSA/AMEMBASSY PRETORIA 3649
INFO RUEADWW/ NSC WASHDC 1366
RUEKJCS/ JCS WASHDC 1754
RUEAIIA/ CIA WASHDC 1630
RUEHJCS/ SECDEF WASHDC 2160
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S E C R E T SECTION 02 OF 24 STATE 302163/02

FOR AMB OR CHARGE; INFORM CONSULS; PRETORIA PASS MAPUTO

BARRIERS TO TRADE. PERHAPS MORE IMPORTANTLY, IT WILL ESTABLISH A NUMBER OF NEW OR REVISED CODES WHICH WILL PROVIDE GREATER UNIFORMITY AND DISCIPLINE IN TRADING PRACTICES IN THE FUTURE. THESE CODES WILL ADDRESS SUCH ISSUES AS GOVERNMENT SUBSIDIES AND MEASURES COUNTRIES MAY TAKE WHEN IMPORTS INJURE THEIR DOMESTIC INDUSTRIES (SAFEGUARD PROCEDURES). THE FINAL AGREEMENT IS EXPECTED TO PROVIDE SPECIAL TREATMENT FOR DEVELO,ING COUNTRIES, BOTH IN TARIFFS (BY NOT REQ;IRING FULL RECIPROCITY IN TARIFF CONCESSIONS FROM LDCS) AMD IN THE CODES COVERING TRADING PRACTICES.

ASSUMING A SUCCESSFUL CONCLUSION TO THE MTN, WE WILLNEED TO FOCUS ON OBTAINING CONGRESSIONAL APPROVAL OF THE PACKAGE. IN THAT CONTEXT IT WILL BE IMPORTANT THAT MAJOR TRADING COUNTRIES, INCLUDING SOME OF THE MORE IMPORTANT LDCS AGREE TO THE NEGOTIATED CODES AND MARKET LIBERALIZING MEASURES. (THE DEPARTMENT WILL KEEP POSTS INFORMED ABOUT THE PROGRESS OF CONGRESSIONAL CONSIDERATION OF THE MTN PACKAGE. POSTS' EFFORTS IN DEALING WITH ANY INTERNATIONAL QUESTIONS RAISED BY THE DEBATE MAY BE EXTREMELY IMPORTANT.)

OVER THE LONGER RUN, THE US WILL HAVE TO DEAL ON A PRIORITY BASIS WITH THE FOLLOWING INTERRELATED AREAS IN THE TRADE FIELD:

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-- THE FIRST CASES OF NEW CODE VIOLATIONS WHICH ARE APPEALED TO THE GATT, AND THE FIRST TRADE PROTECTION MEASURES TAKEN UNDER THE NEW CODES, WILL BE CRITICAL TESTS OF WHETHER THE MTN PACKAGE IS MEANINGFUL OR NOT. ADHERENCE TO THE CODES, AND RAPID AND EFFECTIVE SETTLEMENT OF DISPUTES THROUGH THE GATT SYSTEM, PARTICULARLY WHEN MAJOR TRADING COUNTRIES ARE INVOLVED, WILL BE CRITICAL IN TERMS OF US DOMESTIC OPINION ON THE EFFECTIVENESS OF THE NEW RULES. FOR THE LDCS, THEIR ABILITY TO OBTAIN SATISFACTION THROUGH THE GATT WILL HAVE A MAJOR BEARING ON WHETHER THEY BECOME ACTIVE MEMBERS IN THE EXISTING TRADE SYSTEM OR CONCLUDE THAT RADICAL RESTRUCTURING IS NECESSARY.

-- THE MORE DYNAMIC LDC EXPORTING COUNTRIES WILL POSE A CONTINUAL CHALLENGE TO THE US. WHILE TRYING TO AVOID NEW PROTECTIONIST MEASURES OURSELVES, WE WILL BE PRESSING THESE LDCS, SUCH AS MEXICO, INCREASINGLY TO ADHERE TO THE GATT SYSTEM (AND IN SOME CASES, TO JOIN IT.)

-- WE AND THE OTHER OECD COUNTRIES WILL HAVE TO DETERMINE WHAT CAN BE DONE TO "POSITIVELY ADJUST" TO CHANGING WORLD ECONOMIC CONDITIONS BROUGHT ABOUT BY SHIFTS IN ENERGY PRICES, TECHNOLOGY, AND COMPARATIVE ADVANTAGE AMONG MAJOR TRADING COUNTRIES. IN THE POST-MTN PERIOD, THE LDCS WILL PRESS FOR EVIDENCE THAT THE DCS ARE WILLING TO TAKE STRONGER MEASURES TO FACILITATE AN INCREASE IN IMPORTS OF LDC GOODS. THE US WILL CONTINUE TO URGE OECD COUNTRIES WITH TRADE SURPLUSES TO INCREASE THEIR IMPORT LEVELS THROUGH SUCH MEASURES AS STIMULATING GROWTH AND FACILITATING THE DISTRIBUTION OF IMPORTED GOODS INSIDE THEIR ECONOMY. WE WILL EXPECT SIMILAR MEASURES FROM SOME OF THE MAJOR TRADE SURPLUS LDCS WHICH HAVE EXPORT-LED GROWTH STRATEGIES BUT HISTORICALLY HAVE PROTECTED THEIR DOMESTIC INDUSTRIES AGAINST IMPORTS.

IN 1980, WE MUST REPORT TO THE CONGRESS ON THE FIRST FIVE YEARS OF OPERATION OF THE GENERALIZED SYSTEM OF PREFERENCES (GSP) AND IN 1981 THE GATT WAIVER FOR GSP EXPIRES. BOTH OCCASIONS WILL OFFER CLEAR OPPORTUNITIES TO CONSIDER WAYS IN WHICH THE SYSTEM COULD BE IMPROVED.

3. COMMODITIES. THE US RECOGNIZES THAT MEASURES DESIGNED TO REDUCE EXTREME FLUCTUATIONS IN PRICES OF KEY RAW MATERIALS CAN BENEFIT BOTH PRODUCERS AND CONSUMERS. WHERE SUCH MEASURES SEEM USEFUL AND FEASIBLE, WE ARE WILLING TO PARTICIPATE IN PRICE STABILIZING AGREEMENTS AND HAVE ACCEPTED THE CONCEPT OF JOINT PRODUCER-CONSUMER RESPONSIBILITY FOR THE FUNDING OF

OMMODITY AGREEMENTS.

VER THE NEXT TWO YEARS COMMODITY ISSUES WILL CONTINUE O BE DISCUSSED IN SPECIFIC PRODUCER-CONSUMER GROUPS UT MAY COMMAND LESS PROMINENCE IN NORTH-SOUTH RELATIONS AN THEY HAVE IN THE RECENT PAST. KEY ISSUES WILL NCLUDE:

- THE COMMON FUND: BOTH LDCS AND INDUSTRIAL COUNTRIES OULD LIKE TO REACH AGREEMENT ON THE COMMON FUND BY NCTAD V AT THE LATEST. IF THE NEGOTIATIONS BREAK DOWN, HE G-77 WILL KEEP THE ISSUE ALIVE IN THE NORTH-SOUTH IALOGUE. EVEN IF THERE IS AGREEMENT SOON ON BASIC
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RUFRSA/AMEMBASSY PRETORIA 3650
INFO RUEADW/ NSC WASHDC 1367
RUEKJCS/ JCS WASHDC 1755
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RUEKJCS/ SECDEF WASHDC 2161
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S E C R E T SECTION 03 OF 24 STATE 302163/03

FOR AMB OR CHARGE; INFORM CONSULS; PRETORIA PASS MAPUTO

FEATURES, THERE WILL LIKELY BE SEVERAL MONTHS OF NEGOTIATIONS ON THE DETAILS OF THE INSTITUTION.

INDIVIDUAL COMMODITY PRODUCERS MUST DECIDE WHETHER THEY WISH TO PARTICIPATE IN THE FUND. WE HOPE THAT CONSUMING AND PRODUCING COUNTRIES, PARTICULARLY THE LDCS, WILL ADOPT A POSITION IN NEGOTIATIONS ON SPECIFICS OF THE COMMON FUND WHICH (1) IS CONSISTENT WITH THE POSITION TO WHICH THEY ADHERE ON THE INDIVIDUAL COMMODITY AGREEMENTS (ICAS) IN WHICH THEY PARTICIAPTE, AND (2) PRESERVES THE AUTONOMY OF THE ICAS.

-- RUBBER: NEGOTIATIONS FOR A RUBBER STABILIZATION AGREEMENT COMMENCE IN NOVEMBER 1978. WE BELIEVE AN OVERALL AGREEMENT MAY BE POSSIBLE IN 1979.

-- COPPER: UNCTAD CONSULTATIONS BOGGED DOWN IN 1978 OVER ESTABLISHMENT OF AN INDEPENDENT PRODUCER-CONSUMER FORUM FOR COPPER. WE WANT TO RESUME TECHNICAL DISCUSSIONS ON COPPER MARKET CONDITIONS AS SOON AS POSSIBLE TO DETERMINE THE FEASIBILITY OF A COPPER STABILIZATION AGREEMENT.

-- SUGAR: DISPUTES OVER THE TERMS OF A DOMESTIC SUGAR PRICE SUPPORT PROGRAM PREVENTED US RATIFICATION OF THE INTERNATIONAL SUGAR AGREEMENT AND PASSAGE OF IMPLEMENTING LEGISLATION IN 1978, BUT CONGRESSIONAL DEBATE WILL RESUME

EARLY IN THE NEXT SESSION. MEANWHILE, THE AGREEMENT'S EXPORT QUOTAS ARE OPERATING EFFECTIVELY.

-- COCOA: THE INTERNATIONAL COCOA AGREEMENT WILL BE RENEGOTIATED NEXT YEAR. THE US HAS PUT FORWARD PROPOSALS FOR A MORE FLEXIBLE BUFFER STOCK AGREEMENT THAN THE CURRENT ONE.

-- WHEAT: PARTICIPANTS IN THE NOVEMBER UNCTAD NEGOTIATING CONFERENCE ON A NEW INTERNATIONAL WHEAT AGREEMENT (IWA) WERE UNABLE TO AGREE ON THE CRITICAL ISSUES OF TARGET PRICES, STOCK LEVELS, AND SPECIAL PROVISIONS FOR LDCS. THE NEGOTIATIONS WERE THUS SUSPENDED AND ARE EXPECTED TO RESUME EARLY IN 1979 (A MEETING OF THE INTERIM COMMITTEE WILL PROBABLY BE HELD IN MID-DECEMBER).

-- OTHER COMMODITY ARRANGEMENTS: ARRANGEMENTS AIMED AT INCREASING PRODUCTIVITY, DEVELOPING NEW PRODUCTS, CREATING NEW MARKETS, OR DIVERSIFYING INTO OTHER COMMODITIES, SUCH AS JUTE, MAY BE NEGOTIATED OVER THE NEXT YEAR OR SO. WE WILL WANT TO ENCOURAGE LDC PRODUCERS NOT TO INSIST DOGMATICALLY ON PRICE STABILIZATION AGREEMENTS WHERE ALTERNATIVE APPROACHES ARE PREFERABLE.

-- COMPENSATORY FINANCING FACILITY AND STABEX: OVER THE NEXT YEAR THERE WILL BE SEVERAL REVIEWS OF ADDITIONAL MEASURES TO STABILIZE THE FOREIGN EXCHANGE EARNINGS OF DEVELOPING COUNTRIES THAT ARE ADVERSELY AFFECTED BY FLUCTUATIONS IN INTERNATIONAL COMMODITY MARKETS. THE EC WILL RENEGOTIATE THE LOME AGREEMENT, INCLUDING THE STABEX PROVISIONS. THE ASEAN COUNTRIES WILL LIKELY CONTINUE TO PRESSURE JAPAN FOR A REGIONAL STABEX AGREEMENT COVERING THEIR RAW MATERIAL EXPORTS TO JAPAN. CHANCELLOR SCHMIDT IS STILL PRESSING HIS PROPOSAL FOR A WORLDWIDE STABEX.

WE ARE NOT CONVINCED OF THE UTILITY OF STABEX-TYPE PROGRAMS AIMED AT COMPENSATING FOR EARNINGS SHORTFALLS TIED DIRECTLY TO SPECIFIC COMMODITIES. THE CFF, WHICH WAS SIGNIFICANTLY LIBERALIZED IN 1975, IS A MORE EFFICIENT MECHANISM, SINCE IT ADDRESSES THE OVERALL EXPORT EARNINGS OF A COUNTRY. WE ARE PARTICIPATING IN THE IMF/IBRD DEVELOPMENT COMMITTEE'S STUDY OF THE

ADEQUACY OF THE CURRENT CFF, AND WE EXPECT THE IMF EXECUTIVE BOARD TO CONSIDER FURTHER CHANGES TO THE CFF AS NECESSARY AT ITS MEETING IN MARCH 1979.

4. DEVELOPMENT ASSISTANCE. SHORTLY AFTER TAKING OFFICE,

TEE ADMINISTRATION UNDERTOOK A FULL-SCALE REVIEW OF US FOREIGN AID PROGRAMS. A NUMBER OF PRESIDENTIAL DECISIONS GREW OUT OF THAT REVIEW AND WILL GUIDE OUR FOREIGN ASSISTANCE PROGRAMS DURING THE COMING YEARS IN THE FOLLOWING WAYS, CONTINGENT ON OVERALL BUDGET LEVELS AND CONGRESSIONAL ATTITUDES:

-- BY 1982 THE US HOPES TO INCREASE ITS CONCESSIONAL ASSISTANCE (BILATERAL AND MULTILATERAL) SUBSTANTIALLY OVER THE 1978 LEVEL. WE HOPE TO INCREASE US CONTRIBUTIONS TO MULTILATERAL CONCESSIONAL LENDING PROGRAMS BY 40-50PCT,TOSEE SOME INCREASE IN FOOD AID, AND TO MAKE SIGNIFICANT INCREASES IN OUR BILATERAL DEVELOPMENT
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RUEHSA/AMEMBASSY PRETORIA 3651
INFO RUEADWW/ NSC WASHDC 1368
RUEKJCS/ JCS WASHDC 1756
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S E C R E T SECTION 04 OF 24 STATE 302163/04

FOR AMB OR CHARGE; INFORM CONSULS; PRETORIA PASS MAPUTO

PROGRAMS. SECURITY SUPPORTING ASSISTANCE IS PROJECTED AS STABLE TO 1982. FISCAL PRESSURES AND CONGRESSIONAL CUTS MAY LIMIT OUR ABILITY TO ACHIEVE THESE GOALS.

-- OUR BILATERAL CONCESSIONAL ASSISTANCE SHOULD FOCUS ON MEETING THE BASIC HUMAN NEEDS (BHN) OF POOR PEOPLE, LARGELY IN POOR COUNTRIES, WITH THE FLEXIBILITY TO PROVIDE FUNDING TO FOSTER EQUITABLE GROWTH IN MIDDLE INCOME COUNTRIES AS WELL WHEN SUFFICIENT FUNDS ARE AVAILABLE AND WHERE THOSE GOVERNMENTS ARE ALSO COMMITTED TO HELPING THEIR POOR. REFLECTING THESE DECISIONS, 85 OF AID LOANS AND GRANTS TO LDCS IN THE FY 79 BUDGET REQUEST WERE PLANNED FOR COUNTRIES WITH ANNUAL PER CAPITA INCOMES BELOW $520 (1975 PRICES). WE ARE PROJECTING A SOMEWHAT HIGHER PROPORTION OF AID FUNDS FOR POOR COUNTRIES IN THE FY 80 BUDGET. OUR POLICY IS BASED, IN PART, ON A CONVICTION THAT BHN IS COMPLEMENTARY AND CONTRIBUTORY TO PROGRAMS AIMED AT DEVELOPMENT AND GROWTH.

- AS AN OBJECTIVE, THE SATISFACTION OF BASIC HUMAN NEEDS ENCOMPASSES SUCH TANGIBLE AND INTANGIBLE MINIMUM LIVING STANDARD TARGETS AS ADEQUATE SUSTENANCE, SANITATION, HEALTH, CLOTHING, SHELTER AND EDUCATION FOR ALL HUMAN BEINGS. THEREFORE, IT STRESSES EQUITY.

- AS A STRATEGY, THE SATISFACTION OF BASIC HUMAN NEEDS STIMULATES AND DIRECTS OVERALL PRODUCTION TO MEET THESE

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NEEDS AND SERVES TO INCREASE THE PRODUCTIVE CAPACITY AND INCOME OF THE POOR. THEREFORE IT EMPHASIZES GROWTH.

- WE WILL BE EXAMINING WHETHER FURTHER FLEXIBILITY IN IMPLEMENTING OUR BHN APPROACH IS NEEDED TO FURTHER OUR OBJECTIVES.

WE EXPECT NEGOTIATIONS TO BEGIN SOON WHICH COULD LEAD TO AN INCREASE OF IBRD CAPITAL BY AS MUCH AS 100 . A MAJOR REPLENISHMENT OF IDA IS EXPECTED TO BE NEGOTIATED NEXT YEAR. REPLENISHMENT OF THE RESOURCES OF THE "HARD" AND "SOFT" WINDOWS OF THE REGIONAL BANKS TO WHICH THE US BELONGS HAS BEEN NEGOTIATED RECENTLY. A MAJOR US GOAL REMAINS TO INCREASE THE EFFECTIVENESS OF AID THROUGH IMPROVED COORDINATION WITH OTHER DONORS.

5. FOOD SUPPLY/POPULATION GROWTH. US FOREIGN AGRICULTURAL POLICY SEEKS:

--TO EXPAND USAGRICULTURAL TRADE THROUGH TRADE LIBERALIZATION. NEGOTIATIONS ARE CONTINUING AT THE MTN IN GENEVA.

-- TO HELP DEVELOPING COUNTRIES EXPAND THEIR FOOD AND AGRICULTURAL PRODUCTION AS AN IMPORTANT ELEMENT IN THEIR DEVELOPMENT.

-- TO PROMOTE GREATER WORLD FOOD SECURITY AND PRICE STABILITY THROUGH THE NEGOTIATION OF AN INTERNATIONAL SYSTEM OF NATIONALLY HELD GRAIN RESERVES. THESE NEGOTIATIONS ARE STILL UNDERWAY.

-- TO PROVIDE FOOD AID TO POOR COUNTRIES IN SUPPORT OF THEIR DEVELOPMENT, MARKET DEVELOPMENT FOR US AGRICULTURAL EXPORTS, OTHER US FOREIGN POLICY OBJECTIVES, AND FOR HUMANITARIAN PURPOSES.

IN THE POPULATION SECTOR, WE WANT:

-- TO BETTER INTEGRATE POPULATION FACTORS INTO OUR OVERALL DEVELOPMENT ASSISTANCE STRATEGY.

-- TO INCREASE OUR ASSISTANCE EFFORTS WITH THE MORE IMPORTANT POPULATION GROWTH COUNTRIES.

-- TO GAIN LDC COMMITMENT TO SPECIFIC AND EFFECTIVE EFFORTS TO DEAL WITH EXCESSIVE POPULATION GROWTH.

-- TO INTEGRATE POPULATION GROWTH/FAMILY PLANNING MEASURES MORE EFFECTIVELY WITH HEALTH AND NUTRITION AS

PART OFOUR BASIC HUMAN NEEDS APPROACH.

OVER THE NEXT TWO YEARS WE UILL WORK TO IMPROVE THE EFFECTIVENESS OF OUR "POPULATION" EFFORTS, SPECIFICALLY, TO INCREASE INDIGENOUS LDC SUPPORT FOR FAMILY PLANNING AND RELATED DEVELOPMENT PROGRAMS; TO INCREASE OUR DOMESTIC RESEARCH ON CONTRACEPTIVES MORE EASILY USABLE IN LDCS; TO INCREASE THE LEVEL OF OUR POPULATION ASSISTANCE FUNDS; AND TO STRENGTHEN MULTILATERAL INSTITUTIONS INVOLVED IN THIS AREA, SUCH AS UNFPA, WHO, UNICEF, UNDP, AND THE WORLD BANK.

6. TECHNOLOGY. TECHNOLOGY TRANSFER IS A COMPLEX ISSUE
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TO ALL DIPLOMATIC AND CONSULAR POSTS
RUEHGR/USINT BAGHDAD 9022
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RUEKJCS/ JCS WASHDC 1757
RUDAIIA/ CIA WASHDC 1633
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S E C R E T SECTION 25 OF 24 STATE 302163/05

FOR AMB OR CHARGE; INFORM CONSULS; PRETORIA PASS MAPUTO

OF IMPORTANCE IN NORTH-SOUTH AND EAST-WEST RELATIONS.

IN THE NORTH-SOUTH CONTEXT, OUR EFFORTS ARE NOW OR IN THE COMING TWO YEARS WILL BE FOCUSED ON THE FOLLOWING:

-- AT THE AUGUST 1979 UN CONFERENCE ON SCIENCE AND TECHNOLOGY FOR DEVELOPMENT (UNCSTD) WE WILL BE PREPARED TO EXAMINE GLOBAL STRATEGIES TO ASSIST THE DEVELOPING NATIONS TO BETTER UTILIZE EXISTING AND EMERGING TECHNOLOGY RELEVANT TO DEVELOPMENT AND TO ENHANCE INDIGENOUS LDC CAPABILITIES. AT THE CONFERENCE WE WILL CONCENTRATE ON METHODS TO IMPROVE THE LDCS' ABILITY TO: DEVELOP OR ADAPT TECHNOLOGY, PROVIDE FOR FINANCING, AND MANAGE THE UTILIZATION OF ADVANCED TECHNIQUES. WE WILL EMPHASIZE THE AREAS OF ENERGY, FOOD, AND HEALTH.

-- FOR THE PAST THREE YEARS, THE NORTH/SOUTH DIALOGUE ON TECHNOLOGY TRANSFER HAS FOCUSED HEAVILY ON THE NEGOTIATION OF A UNIVERSALLY APPLICABLE CODE OF CONDUCT TO ESTABLISH NORMS (VOLUNTARY GUIDELINES, IN OUR VIEW) FOR GOVERNMENT AND ENTERPRISES ON INTERNATIONAL TRANSACTIONS INVOLVING PATENT LICENSING, KNOWHOW CONTRACTS, TURN-KEY AGREEMENTS AND OTHER FORMS OF PROPRIETARY TECHNOLOGY TRANSFER. A UN NEGOTIATING CONFERENCE (OCTOBER 16-NOVEMBER 10) FELL FAR SHORT OF RESOLVING MAJOR ISSUES IN THE CODE (E.G. LEGAL NATURE, FOLLOW-UP MACHINERY, TREATMENT OF PARENT/SUBSIDIARY TRANSACTIONS,

PRIMA FACIE JUSTIFICATIONS FOR CERTAIN RESTRICTIVE PRACTICES OF ENTERPRISES, PRINCIPLES ON WHICH GOVERNMENTS SHOULD BASE REGULATIONS OF TECHNOLOGY TRANSFER). THE NEGOTIATING CONFERENCE WILL RESUME FEBRUARY 19-MARCH 2 AMID INCREASING SIGNS THAT A NUMBER OF G-77 COUNTRIES WOULD PREFER CONFRONTATION (PROBABLY AT UNCTAD V) TO FURTHER PROGRESS ALONG THE REASONABLY MODERATE AND BALANCED LINES THUS FAR NEGOTIATED IN THE CODE. OVERALL, OUR POSTURE IN THESE NEGOTIATIONS HAS BEEN LOW KEY BUT CONSTRUCTIVE, FAVORING VOLUNTARY, WORKABLE GUIDELINES WHICH ADDRESS LDC CONCERNS IN A PRACTICAL MANNER AND AT THE SAME TIME SERVE TO IMPROVE THE GENERAL CLIMATE FOR TECHNOLOGY FLOWS AND INVESTMENT IN DEVELOPING COUNTRIES. IN THE EVENT AGREEMENT ON A CODE OF CONDUCT IS NOT POSSIBLE, WE WOULD HOPE THAT THE 1979 UNCSTD CONFERENCE WOULD PROVIDE AN OPPORTUNITY TO REFOCUS THE TECHNOLOGY DIALOGUE ON MORE PROMISING WAYS TO ADDRESS FUNDAMENTAL CONSTRAINTS IN LDC TECHNOLOGICAL DEVELOPMENT. THE FITC, DESCRIBED BELOW, COULD PLAY AN IMPORTANT ROLE IN TECHNOLOGY RELATIONS WITH DEVELOPING COUNTRIES IN THE POST-UNCSTD DIALOGUE.

-- THE ADMINISTRATION RECENTLY PROPOSED THE CREATION OF A FOUNDATION FOR INTERNATIONAL TECHNOLOGICAL COOPERATION (FITC). THIS BODY WILL BE A KEY MECHANISM FOR THE US IN DISSEMINATING AND APPLYING TECHNOLOGICAL INFORMATION NEEDED FOR DEVELOPMENT. THE FOUNDATION WILL BE RELATED TO AID AND FINANCED FROM DEVELOPMENT ASSISTANCE FUNDS. IT WILL DRAW UPON FEDERAL GOVERNMENT AND PRIVATE ENTERPRISE RESOURCES AND INITIATE R&D RELATED TO THE DEVELOPMENT SECTOR. IT WILL WORK DIRECTLY WITH THE DEVELOPING COUNTRIES. THE EXACT SCOPE AND FORM OF AN FITC IS STILL BEING EXAMINED IN THE EXECUTIVE BRANCH. ASSUMING FAVORABLE ACTION IN THE CONGRESS, IT IS EXPECTED TO BEGIN OPERATING IN FY 1980.

DEVISING MEANS TO EXPAND AND BETTER MANAGE OUR SCIENTIFIC AND TECHNOLOGICAL COOPERATION WITH THE UPPER-TIER LDCS, EASTERN EUROPE, THE SOVIET UNION, CHINA, AND THE OPEC COUNTRIES, ALREADY VASTLY DIFFICULT, WILL POSE AN INCREASING CHALLENGE IN THE YEARS AHEAD.

THE INDUSTRIALIZED DEMOCRACIES WILL NEED TO TAKE THE LEAD IN SEEKING WAYS TO BETTER UTILIZE TECHNOLOGY FOR THE GLOBAL TASKS OF PROTECTING THE ENVIRONMENT, IMPROVING HEALTH CONDITIONS, CONTROLLING POPULATION GROWTH, PREVENTING MASSIVE POLLUTION, UTILIZING SAFE AND RENEWABLE ENERGY RESOURCES, AND MORE WISELY MANAGING SOILS AND

PLANT AND ANIMAL LIFE.

7. NORTH-SOUTH DIALOGUE. VIRTUALLY ALL OF THE ISSUES ADDRESSED ABOVE ARE IMPORTANT ELEMENTS IN THE NORTH-SOUTH DIALOGUE, (IN WHICH CONTEXT, WE WILL, WHERE POSSIBLE, SEEK TO CONSULT CLOSELY WITH OTHER OECD COUNTRIES BEFORE MAJOR NEGOTIATIONS TAKE PLACE.) OTHER

ALREADY IMPORTANT OR EMERGING ISSUES INCLUDE THE FOLLOWING:

-- LDC DEBT: MOST OECD COUNTRIES, INCLUDING THE UNITED STATES, HAVE TAKEN MEASURES TO DECREASE THE OFFICIAL

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FOR AMB OR CHARGE; INFORM CONSULS; PRETORIA PASS MAPUTO

DEBT BURDEN OF THE LEAST DEVELOPED COUNTRIES. AGREEMENT HAS BEEN REACHED ON A 50 INCREASE IN IMF QUOTAS AND SEVERAL NEW IMF FACILITIES HAVE BEEN ESTABLISHED (THE TRUST FUND, WITTEVEN, AND EXTENDED FUND FACILITY) WHICH WILL HELP COUNTRIES OVERCOME SHORT-TERM BALANCE OF PAYMENTS DIFFICULTIES.

-- ECONOMIC COOPERATION AMONG DEVELOPING COUNTRIES (ECDN): THIS SEEMS TO BE OF GROWING IMPORTANCE TO THE G-77, ALTHOUGH NEITHER THEY NOR GROUP B HAVE YET FOCUSED ON SUBSTANCE. WRANGLING HAS SO FAR CENTERED ON PROCEDURAL ISSUES, IN PARTICULAR WHETHER UNCTAD CAN HOLD MEETINGS ON THE SUBJECT WHICH ARE LIMITED TO G-77 PARTICIPANTS. WE WILL WANT TO CONVINCE THE LDCS THAT IT IS TO THEIR ADVANTAGE TO INCLUDE DEVELOPED COUNTRIES IN AN ECDC PROGRAO AND THAT THE ECDC EXERCISE NEED NOT AND SHOULD NOT CREATE RESTRICTED INSTITUTIONS.

-- ADVANCED DEVELOPING COUNTRIES: WE WANT TO INCREASE INTERNATIONAL ACCEPTANCE OF TREATING LDCS ACCORDING TO THEIR LEVELS OF DEVELOPMENT. CONCESSIONAL ASSISTANCE MUST BE CONCENTRATED ON THE POOREST COUNTRIES. THE MOST ADVANCED LDC COUNTRIES SHOULD BE ENCOURAGED TO GIVE UP SPECIAL PRIVILEGES OF LDC STATUS AND MOVE TOWARD: GREATER RELIANCE ON NORMAL MFN TRADING PRACTICES, USE OF PRIVATE CAPITAL MARKETS AND PRIVATE INVESTMENT FOR EXTERNAL FINANCING, AND ACCEPTANCE OF GREATER RESPONSIBILITY FOR THE FUNCTIONING OF THE INTERNATIONAL ECONOMY. CONVERSELY, THE DCS WILL HAVE TO FIND WAYS TO INVOLVE THOSE LDCS IN THE DECISION-MAKING PROCESS OF INTERNATIONAL ECONOMIC INSTITUTIONS.

-- DEVELOPMENT STRATEGY: MOST DISCUSSION NOW CENTERS ON TRANSFER OF RESOURCES FROM NORTH TO SOUTH; LDC INTERNAL DEMELOPMENT STRATEGY IS SELDOM DISCUSSED. WE PLAN TO SEEK MEANS BY WHICH ISSUES SUCH AS BASIC HUMAN NEEDS, INCOME DISTRIBUTION, EXPORT VS. DOMESTIC MARKET ORIENTED GROWTH STRATEGIES, ETC., CAN BE MORE ACTIVELY CONSIDERED.

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THE PAST TWO YEARS IN THE NORTH-SOUTH DIALOGUE HAVE BEEN, IN RELATIVE TERMS, A REASONABLY CONSTRUCTIVE PERIOD. IN THE COMING MONTHS AND YEARS NEW ISSUES WILL EMERGE. REGIONAL MINISTERIAL LEVEL MEETINGS OF THE G-77, CULMINATING IN THE WORLDWIDE MINISTERIAL IN ARUSHA, TANZANIA, IN FEBRUARY WILL FORMULATE A NEW G-77 PLATFORM TO SUPERSEDE (OR REINFORCE) THE MANILA DECLARATION OF 1976. UN PREPARATORY COMMITTEES WILL BE WORKING ON A NEW INTERNATIONAL DEVELOPMENT STRATEGY FOR THE DECADEGKS) AHEAD. UNCTAD V, THE COMMITTEE OF THE WHOLE (COW), AND THE SPECIAL SESSION OF THE UNGA IN 1980 (AT WHICH THE NEW INTERNATIONAL DEVELOPMENT STRATEGY WILL BE ADOPTED), WILL PROVIDE THE KEY FORUMS IN WHICH THE DIALOGUE WILL TAKE PLACE. WE WILL WANT TO PLAY A MAJOR ROLE IN THOSE ASSEMBLIES TO PRODUCE A REALISTIC AGENDA FOR THE FUTURE.

OF GENERAL CONCERN TO THE US OVER THE NEXT FEW YEARS WILL BE THE IMPACT OF THE ENTIRE MODERNIZING PROCESS ON LDCS IN TERMS OF THEIR POLITICAL STABILITY AND THE EFFECTIVENESS OF EXISTING INSTITUTIONS IN ADAPTING TO NEW PROBLEMS AND PRESSURES. THESE ARE PROBLEMS WHICH ARE

DIFFICULT TO DISCUSS WITH INDIVIDUAL COUNTRIES SINCE THE ISSUES INVOLVED RELATE TO INTERNAL SOCIAL, POLITICAL, AND CULTURAL TRENDS. DEVELOPMENTS IN SEVERAL COUNTRIES IN RECENT YEARS, E.G. INDIA, PAKISTAN, IRAN, NIGERIA, AND MEXICO, AMONG OTHERS, UNDERSCORE THE IMPORTANCE FOR US PLANNING AND POLICY FORMULATION OF ASSESSMENT BY EMBASSIES OF THESE CONSIDERATIONS.

B. HUMAN RIGHTS

1. GENERAL

WE REMAIN COMMITTED TO PROMOTING ALL THREE CATEGORIES OF HUMAN RIGHTS DEFINED BY SECRETARY VANCE IN APRIL 1977: RIGHTS OF THE PERSON; ECONOMIC RIGHTS (RIGHTS TO FOOD, SHELTER, HEALTH CARE AND EDUCATION); AND POLITICAL RIGHTS. HUMAN RIGHTS CONCERNS HAVE BECOME AN INTEGRAL PART OF ALL OUR DEALINGS WITH OTHER GOVERNMENTS, FROM PRIVATE DIPLOMATIC EXCHANGES TO AID PROGRAMS AND MILITARY RELATIONSHIPS. EXPERIENCE TO DATE DEMONSTRATES THAT ACTIVE PROMOTION OF HUMAN RIGHTS CAN BE BALANCED WITH OTHER US INTERESTS, AND THAT OUR INFLUENCE CAN CONTRIBUTE TO HUMAN RIGHTS IMPROVEMENTS.

IMPROVEMENTS HAVE BEEN MOST MARKED IN RIGHTS OF THE PERSON. POLITICAL PRISONERS RELEASED TOTAL IN THE THOUSANDS, AND INCLUDE RELEASES IN OVER A DOZEN COUNTRIES, (INDONESIA, TANZANIA, PARAGUAY, HAITI, CHILE, BOLIVIA, SOUTH KOREA, THE PHILIPPINES, THAILAND, IRAN,
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RUEHCR/USINT BAGHDAD 9024
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RUTAVC/AMEMBASSY BRAZZAVILLE 1468
RUEHSA/AMEMBASSY PRETORIA 3654
INFO RUEADYW/ NSC WASHDC 1371
RUEKJCS/ JCS WASHDC 1759
RUEAIIA/ CIA WASHDC 1635
RUEKJCS/ SECDEF WASHDC 2165
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S E C R E T SECTION 07 OF 24 STATE 302163/07

FOR AMB OR CHARGE; INFORM CONSULS; PRETORIA PASS MAPUTO

PAKISTAN, BANGLADESH, GUINEA, MOROCCO, AND NEPAL). TORTURE OF PRISONERS HAS DIMINISHED AND IN SOME CASES TRIALS OF POLITICAL PRISONERS HAVE BEEN OPENED TO THE PUBLIC. WE ARE WORKING TO PROMOTE ECONOMIC HUMAN RIGHTS BY OUR EMPHASIS ON BHN IN OUR BILATERAL AID PROGRAMS AND BY OUR PLE IN THE MULTILATERAL DEVELOPMENT BANKS. AS WE EXPECTED, IMPROVEMENTS IN POLITICAL RIGHTS ARE SLOW IN COMING. BUT THERE ARE SOME INSTANCES OF ENCOURAGING BEGINNINGS IN EXPANDED FREEDOM OF EXPRESSION AND BROADENED POLITICAL PARTICIPATION. OTHER NATIONS, ESPECIALLY IN WESTERN EUROPE, ARE COOPERATING IN SOME ASPECTS OF THE POLICY AND ARE TAKING SIMILAR, THOUGH INDEPENDENT, ACTIONS OF THEIR OWN TO PROMOTE HUMAN RIGHTS.

THE LAW AND OUR POLICY ARE CLEAREST, AND EASIEST TO APPLY CONSISTENTLY, WITH REGARD TO RIGHTS OF THE PERSON AND ECONOMIC RIGHTS. PROMOTION OF POLITICAL RIGHTS IS NO LESS IMPORTANT TO US, BUT REQUIRES THE GREATEST SENSITIVITY TO INDIVIDUAL CULTURAL AND POLITICAL TRADITIONS VERY DIFFERENT FROM OUR OWN (AND FROM EACH OTHER).

IMPLEMENTATION OF THIS COMPLEX AND AMBITIOUS POLICY WILL REMAIN DIFFICULT. SOME OF THE POLICY PROBLEMS PRODUCED IN OUR BILATERAL RELATIONS WITH INDIVIDUAL COUNTRIES ARE FAMILIAR TO POSTS. OTHERS INVOLVE QUESTIONS OF HOW TO RESPOND TO AND BUILD ON THE PARTIAL SUCCESS OF THE

POLICY. OVER THE NEXT TWO YEARS, WE WILL NEED TO LOOK CLOSELY AT THE FOLLOWING ISSUES:

-- HOW TO CONTINUE BALANCING OUR HUMAN RIGHTS GOALS WITH OUR NEED TO MAINTAIN THE COOPERATION OF HOST GOVERNMENTS ON OTHER IMPORTANT ISSUES, INVOLVING, FOR EXAMPLE, OUR ECONOMIC OR SECURITY INTERESTS;

-- HOW TO PURSUE OUR HUMAN RIGHTS CONCERNS IN COUNTRIES WHOSE GOVERNMENTS MAY REACT BY BECOMING REPRESSIVE WHEN CONFRONTED WITH PRESSURES FROM INTERNAL OPPONENTS, OR WHERE THERE IS A SERIOUS POSSIBILITY OF DOMESTIC POLITICAL TURBULENCE ADVERSELY AFFECTING US INTERESTS;

-- HOW TO ACHIEVE AN APPROPRIATE BALANCE AMONG OUR DIFFERENT HUMAN RIGHTS GOALS, E.G., PROMOTION OF ECONOMIC RIGHTS OF THE POOR VS. USE OF ECONOMIC PRESSURES TO IMPROVE RIGHTS OF THE PERSON OR POLITICAL RIGHTS.

-- HOW TO PURSUE OUR HUMAN RIGHTS OBJECTIVES IN THE MULTILATERAL DEVELOPMENT BANKS (MBDS) WITHOUT UNDERMINING THE INTEGRITY OF THOSE INSTITUTIONS, AND WHEN, IF EVER, WE SHOULD OPPOSE PROGRAMS IN THE MDBS WHICH SERVE BASIC HUMAN NEEDS?

-- WHETHER AID PROGRAMS WHOSE PRIMARY PURPOSE IS ECONOMIC DEVELOPMENT CAN ALSO BE USED TO ENCOURAGE THE DEVELOPMENT OF LOCAL DECISION-MAKING FORUMS (E.G., BY INVOLVING CITIZENS' GROUPS IN IMPLEMENTATION OF THE PROGRAMS);

-- HOW TO PROMOTE HUMAN RIGHTS IN COUNTRIES WHERE OUR LEVERAGE IS SLIM OR WHERE WE HAVE LITTLE INFORMATION ABOUT HUMAN RIGHTS, AND THE RELATED QUESTION OF HOW ACTIVE WE SHOULD BE IN PUBLICLY CRITICIZING HUMAN RIGHTS PRACTICES IN COUNTRIES WHERE WE ARE UNLIKELY TO HAVE MUCH PRACTICAL IMPACT, AT LEAST IN THE SHORT RUN;

-- HOW TO MAXIMIZE USE OF THE HUMAN RIGHTS MACHINERY OF MULTILATERAL ORGANIZATIONS TO ADVANCE OUR HUMAN RIGHTS GOALS, AND HOW WE CAN IMPROVE THE CAPACITY OF EXISTING MULTILATERAL HUMAN RIGHTS MACHINERY TO DEAL EFFECTIVELY WITH HUMAN RIGHTS PROBLEM AREAS;

-- HOW TO RESPOND WHEN THERE HAS BEEN SIGNIFICANT HUMAN RIGHTS IMPROVEMENT IN A COUNTRY BUT THE OVERALL SITUATION REMAINS UNSATISFACTORY. THIS WILL BE PARTICULARLY AN ISSUE WHERE THERE ARE MAJOR ADVANCES IN RIGHTS OF THE PERSON (E.G., POLITICAL PRISONERS RELEASED) BUT HAS BEEN

LITTLE OR NO PROGRESS IN INSTITUTIONAL GUARANTEES OF THOSE RIGHTS OR OTHER POLITICAL CHANGE.

WE ARE PRESENTLY ALSO ENGAGED IN AN INTERAGENCY ASSESSMENT OF THE PRACTICALITY OF USING CONSTRAINTS ON TRADE AND CREDIT AS INSTRUMENTS FOR PURSUING A NUMBER OF MAJOR US FOREIGN POLICY OBJECTIVES, INCLUDING HUMAN RIGHTS.

CONGRESSIONAL INTEREST IN HUMAN RIGHTS PERFORMANCE REMAINS HIGH. ALTHOUGH THERE HAS BEEN A TREND TOWARD LEGISLATION THAT IS LESS COUNTRY-SPECIFIC THAN IN THE PAST, ALMOST ALL MAJOR LEGISLATIVE CONSTRAINTS DESIGNED TO PROMOTE HUMAN RIGHTS OBSERVANCE REMAIN IN PLACE AND WE EXPECT THIS
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RUEHSA/AMEMBASSY PRETORIA 3655
INFO RUEADWW/ NSC WASHDC 1372
RUEKJCS/ JCS WASHDC 1760
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S E C R E T SECTION 08 OF 24 STATE 302163/08

FOR AMB OR CHARGE; INFORM CONSULS; PRETORIA PASS MAPUTO

SITUATION TO CONTINUE.

2. REFUGEES.

OVER 400,000 REFUGEES HAVE FLOWED FROM INDOCHINA TO NON-COMMUNIST COUNTRIES IN THE LAST FOUR YEARS. THE RATE IN RECENT MONTHS HAS RISEN SHARPLY AND THE REGIONAL COUNTRIES WHICH ARE THE INITIAL HAVEN OF THESE REFUGEES ARE FINDING IT INCREASINGLY DTFFICULT TO ABSORB THE NEW FLOOD,THE CAUSES ARE BASICLY THE POLITICAL AND CONSEQUENT ECONOMIC DISLOCATIONS IN VIETNAM, OPPRESSION AND WAR IN KAMPUCHEA, AND DEEP PREJUDICE AND DISCRIMINATION AGAINST TRIBAL ELEMENTS IN LAOS. THE US HAS ALREADY ADMITTED 180,000 AND HOPES TO INCREASE THAT NUMBER BY 45,000 BY APRIL 30, 1979. NEW US LEGISLATION AND, MOST IMPORTANT, NEW INTERNATIONAL EFFORTS, WILL BE NECESSARY TO COPE WITH OVER A MILLION REFUGEES WHO MAY ATTEMPT TO FLEE THE INDOCHINA STATES OVER THE NEXT THREE YEARS.

C. ARMS CONTROL

1. SALT TWO. WE CONTINUE TO HOPE THAT WE CAN CONCLUDE A SALT TWO AGREEMENT IN THE NEAR FUTURE. UNLIKE SALT ONE, THIS AGREEMENT WILL PLACE EQUAL QUANTITATIVE CEILINGS AND SOME QUALITATIVE LIMITATIONS ON THE MAJOR US AND SOVIET STRATEGIC NUCLEAR DELIVERY SYSTEMS. AND THE US AND USSR WILL COMMIT THEMSELVES TO NEGOTIATIONS (SALT

THREE) ON FURTHER MEASURES FOR THE LIMITATION AND REDUCTION OF STRATEGIC ARMS. (SEE ITEM 5, BELOW, FOR A DISCUSSION OF THE GRAY AREA SYSTEMS QUESTION.)

AGREEMENT HAS BEEN REACHED ON AN OVERALL AGGREGATE LEVEL OF 2400 STRATEGIC DELIVERY SYSTEMS, TO BE REDUCED TO 2250 BY THE END OF THE PROTOCOL; A MIRV CEILING OF 1320, WHICH ALLOWS FOR 120 CRUISE MISSILE-CARRYING AIRPLANES BEFORE REQUIRING REDUCTIONS IN MIRVED MISSILES; AND A MIRVED ICBM CEILING OF 820. THE SIDES HAVE ALSO AGREED ON A LIMIT OF ONE NEW TYPE OF MIRVED OR NON-MIRVED ICBM PER SIDE THROUGH 1985, ALTHOUGH DIFFERENCES REMAIN ON THE NUMBER OF WARHEADS TO BE PERMITTED ON NEW AND EXISTING ICBMS AND SLBMS. VERIFICATION WILL BE ASSURED BY EACH SIDE'S NATIONAL TECHNICAL MEANS, INCLUDING RECONNAISSANCE SATELLITES, ABETTED BY AN EXCHANGE OF AGREED DATA--THE LATTER BEING A SIGNIFICANT

DEPARTURE FROM PAST SOVIET RETICENCE TO SHARE INFORMATION ON THEIR SYSTEMS.

ONLY A FEW CONTENTIOUS ISSUES, PLUS SOME COMPARATIVELY MINOR ONES, REMAIN TO BE RESOLVED. PARTICULARLY DIFFICULT ISSUES RELATE TO CRUISE MISSILES AND THE QUESTION OF THE SOVIET BACKFIRE BOMBER. ON BACKFIRE THE SOVIETS HAVE INDICATED THEY WILL PROVIDE US ASSURANCES ON FREEZING ITS PRODUCTION RATE AND LIMITING ITS CAPABILITY TO STRIKE THE UNITED STATES--BUT WE ARE STILL IN DISAGREEMENT ABOUT SOME SPECIFIC ASPECTS OF THEIR ASSURANCES AND HOW WE WILL TREAT THEM PUBLICLY AND WITH THE CONGRESS.

2. CTB. A COMPREHENSIVE TEST BAN TREATY IS BEING DEVELOPED IN NEGOTIATIONS BETWEEN THE UNITED STATES, THE UNITED KINGDOM AND THE SOVIET UNION. WE ARE NEGOTIATING ON THE BASIS THAT IT WILL BE OF THREE YEARS DURATION, WITH A REVIEW CONFERENCE TO EXAMINE THE QUESTION OF A REPLACEMENT TREATY. IT IS DIFFICULT TO PREDICT WHEN THE OUTSTANDING ISSUES, RELATING PRIMARILY TO VERIFICATION, WILL BE SETTLED. IN ANY CASETHE RATIFICATION PROCESS IS LIKELY TO FOLLOW THAT OF SALT II.

3. MBFR. IN APRIL, THE WEST MODIFIED ITS POSITION BY GIVING THE SOVIETS FLEXIBILITY TO WITHDRAW ANY FIVE DIVISIONS RATHER THAN A TANK ARMY, AND BY OFFERING WESTERN EUROPEAN COMMITMENTS IN PHASE I REGARDING THE SCOPE AND TIMING OF THEIR PHASE II REDUCTIONS. THE EAST RESPONDED IN JUNE WITH A PROPOSAL THAT APPEARED TO ACCEPT MUCH OF THE STRUCTURE OF THE WESTERN POSITION, BUT INSISTED THAT THE WEST AGREE IN RETURN THAT THERE WAS

APPROXIMATE MANPOWER PARITY IN THE REDUCTIONS AREA. SINCE THE WEST FIRMLY BELIEVES THAT THE EAST HAS MORE THAN 150,000 GROUND TROOPS OVER WHAT IT CLAIMS, AND THEREFORE THAT ASYMMETRICAL REDUCTIONS ARE WARRANTED, THE DATA ISSUE HAS BECOME THE CENTRAL OBSTACLE TO PROGRESS. WE ARE HOPEFUL THAT IN THE MONTHS AHEAD WE WILL BE ABLE TO CONVINCE THE EAST OF THE NEED TO BE FORTHCOMING ON DATA SO THAT THE RECENTLY DEVELOPED AREAS OF POTENTIAL AGREEMENT CAN BE MADE FRUITFUL. MEANTIME, WITHIN NATO WE ARE DISCUSSING A COMPREHENSIVE PACKAGE OF STABILIZING AND VERIFICATION MEASURES WHICH WE BELIEVE THE WEST SHOULD BEGIN DISCUSSING WITH THE EAST SOON.

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RUEKJCS/ JCS WASHDC 1762
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S E C R E T SECTION 10 OF 24 STATE 302163/10

FOR AMB OR CHARGE; INFORM CONSULS; PRETORIA PASS MAPUTO

HAVE ALL OF ITS PEACEFUL NUCLEAR ACTIVITIES UNDER INTERNATIONAL SAGEGUARDS BY MARCH 1980 IN ORDER TO CONTINUE TO RECEIVE US NUCLEAR EXPORTS. THE ACT ALSO ESTABLISHES A SERIES OF ADDITIONAL CRITERIA TO GOVERN US NUCLEAR EXPORTS AND THE RENEGOTIATION OF AGREEMENTS.

SUCH RENEGOTIATIONS CAN AFFECT SENSITIVE POLITICAL RELATIONSHIPS. WE WORKED OUT ARRANGEMENTS WITH THE EC ENABLING US TO CONTINUE TO PROVIDE NUCLEAR SERVICES. WE ARE ALSO CONTINUING TO SUPPLY FUEL FOR THE INDIAN NUCLEAR REACTOR AT TARAPUR WHILE WE DISCUSS THE LIMITS OF A NEW AGREEMENT WITH THE INDIAN GOVERNMENT.

2. INFCE. IN THE INTERNATIONAL NUCLEAR FUEL CYCLE EVALUATION (INFCE) PROGRAM, ESTABLISHED THROUGH OUR INITIATIVE, FIFTY-THREE NATIONS ARE ENGAGED IN A TWO-YEAR STUDY OF VARIOUS ASPECTS OF THE FUEL CYCLE WHICH WE HOPE WILL LEAD TO A CONSENSUS BY THE END OF 1979 WHICH WILL MEET OUR NON-PROLIFERATION CONCERNS.

3. SUPPLIER RESTRAINT. WE HAVE EXPANDED OUR EFFORTS IN THE NUCLEAR SUPPLIERS GROUP (NSG) TOWARD ADOPTION OF COMMON POLICIES ON "GREY AREA" TECHNOLOGY, TECHNOLOGY NOT USED EXCLUSIVELY FOR NUCLEAR PROGRAMS BUT WHICH CAN BE ADAPTED OR APPLIED TO SENSITIVE NUCLEAR AREAS (SUCH AS ENRICHMENT AND REPROCESSING.

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HAS BEEN SLOW. MAJOR DIFFERENCES STILL SEPARATE THE TWO SIDES, PARTICULARLY ON VERIFICATION MEASURES.

7. INDIAN OCEAN ARMS LIMITATION. WE HAVE HELD FOUR ROUNDS OF TALKS WITH THE SOVIET UNION SINCE JUNE 1977 CONCERNING A POSSIBLE BILATERAL AGREEMENT TO STABILIZE, AND PERHAPS EVENTUALLY REDUCE, US-SOVIET MILITARY LEVELS IN THE INDIAN OCEAN AREA. AN AGREEMENT WOULD NOT LIMIT THE MILITARY FORCES OF OUR ALLIES OR OTHER LITTORAL STATES. THE TALKS HAVE BEEN IN ABEYANCE SINCE FEBRUARY 1978. WE ARE CURRENTLY CONSIDERING THE QUESTION OF RESUMPTION, BUT NO DECISION HAS BEEN MADE.

8. CONVENTIONAL ARMS TRANSFER POLICY. US POLICY ON ARMS TRANSFERS CONSISTS PRINCIPALLY OF THREE PARTS: (1) QUALITATIVE CONTROLS ON ADVANCED SYSTEMS, (2) A QUANTITATIVE CEILING FOR SALES OF CERTAIN ITEMS TO SPECIFIED COUNTRIES; AND (3) RESTRICTIONS ON SALES PROMOTIONS ACTIVITY. ALL ELEMENTS OF THE POLICY HAVE BEEN IMPLEMENTED, INCLUDING AN 8 REDUCTION IN THE CEILING IN

FY 1978. THE QUESTION OF A REDUCTION IN FY 1979 IS NOW UNDER REVIEW. LOOKING TOWARD FY 1980, POSTS CAN EXPECT TO BE REQUIRED TO PERFORM ESSENTIALLY THE SAME TASKS IN IMPLEMENTING OUR ARMS TRANSFER POLICY AS THEY ARE NOW DOING.

9. CONVENTIONAL ARMS TRANSFER (CAT) RESTRAINT NEGOTIATIONS. THE ACHIEVEMENT OF OUR OBJECTIVES OF GLOBAL RESTRAINT WILL ULTIMATELY DEPEND ON COOPERATION BY OTHER ARMS SUPPLIERS, BOTH WESTERN AND SOVIET, AND RECIPIENTS. WE ARE MAKING A MAJOR EFFORT IN CAT TALKS WITH THE SOVIET UNION, SEEKING TO ENCOURAGE MUTUAL RESTRAINT AND EVENTUALLY TO INVOLVE OTHER SUPPLIERS AND RECIPIENTS AS WELL. THE SOVIETS HAVE RESPONDED WITH INTEREST, BUT THESE TALKS HAVE NOT YET PRODUCED CONCRETE AGREEMENTS. WE HAVE BRIEFED MANY COUNTRIES ON THESE TALKS WITH A VIEW TO SEEKING THEIR IDEAS AND SUPPORT. THE MAJOR EUROPEAN SUPPLIERS ARE NOW SKEPTICAL AND HAVE MADE CLEAR THEIR POLICY ON THE ISSUE WILL BE AFFECTED BY SOVIET ACTION. WE ALSO WILL NEED THE SUPPORT OF RECIPIENTS. ENCOURAGING REGIONAL INITIATIVES BY RECIPIENTS--SUCH AS THOSE UNDERWAY IN LATIN AMERICA--IS AN IMPORTANT GOAL OF OUR CAT EFFORTS.

LOOKING TOWARD FY 1981, IF WE ARE ABLE TO MAINTAIN THE PRESENT MOMENTUM OF OUR TALKS WITH THE SOVIET UNION AND TO BRING OTHER SUPPLIERS AND RECIPIENTS INTO THIS EFFORT, INCREASED ACTIVITY BY POSTS MAY BE NEEDED,

PARTICULARLY WHERE THE HOST GOVERNMENT CAN PLAY A CRUCIAL ROLE IN SUPPORTING AND SUSTAINING SUPPLIER AND/OR RECIPIENT REGIONAL INITIATIVES TO RESTRAIN THE TRANSFER OF CONVENTIONAL ARMS.

D. NUCLEAR NON-PROLIFERATION

OUR EFFORTS HAVE BEEN FOCUSED ON A NUMBER OF FRONTS DURING THE PAST 22 MONTHS:

1. NUCLEAR NON-PROLIFERATION ACT. ENACTED IN MARCH, THE ACT MANDATES THAT ANY NON-NUCLEAR WEAPONS STATE RECEIVING AMERICAN NUCLEAR MATERIAL OR EQUIPMENT MUST
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TO ALL DIPLOMATIC AND CONSULAR POSTS
RUEHCR/USINT BAGHDAD 9026
RUQMBE/AMEMBASSY BEIRUT 5784
RUTAVC/AMEMBASSY BRAZZAVILLE 1470
RUEHSA/AMEMBASSY PRETORIA 3656
INFO RUEADWW/ NSC WASHDC 1373
RUEKJCS/ JCS WASHDC 1761
RUEAIIA/ CIA WASHDC 1637
RUEKJCS/ SECDEF WASHDC 2167
RUEATRS/ TREASURY DEPARTMENT WASHDC 1164
XMT AMEMBASSY MAPUTO
BT
S E C R E T SECTION 09 OF 24 STATE 302163/09

FOR AMB OR CHARGE; INFORM CONSULS; PRETORIA PASS MAPUTO

4. ASAT. US AND SOVIET DELEGATIONS MET IN HELSINKI IN JUNE 1978 FOR A ROUND OF PRELIMINARY DISCUSSIONS ON LIMITATIONS WE MIGHT PLACE ON ANTI-SATELLITE ACTIVITIES AND SYSTEMS. THE DISCUSSIONS WERE USEFUL IN EXPLORING THE POSSIBILITIES FOR AN ASAT AGREEMENT. THE DELEGATIONS AGREED TO MEET AGAIN TO CONTINUE DISCUSSIONS AND WILL LIKELY DO SO IN EARLY 1979.

5. GRAY AREAS SYSTEMS (GAS). NATO IS STUDYING THE ISSUE OF NUCLEAR MODERNIZATION AS WELL AS THE POTENTIAL FOR ARMS CONTROL TO HELP DEAL WITH THE THEATER NUCLEAR SITUATION. THERE MAY BE A DETERMINATION IN THE ALLIANCE OVER THE NEXT YEAR THAT A MODEST INCREASE IN WESTERN DEPLOYMENT OF LONG RANGE THEATER NUCLEAR SYSTEMS IS NECESSARY, PARTLY AS A RESPONSE TO THE SOVIET SS-20 IRBM; GIVEN GERMAN INTEREST IN LONG RANGE THEATER ARMS CONTROL, AND LIKELY SOVIET PRESSURES FOR LIMITS ON US CRUISE MISSILES, SALT III MAY WELL ALSO INCLUDE SOME US AND SOVIET THEATER SYSTEMS. THEATER NUCLEAR MODERNIZATION AND GAS ARMS CONTROL COULD RECEIVE MAJOR ATTENTION FOR THE NEXT SEVERAL YEARS.

6. CHEMICAL WEAPONS AND RADIOLOGICAL WARFARE. BILATERAL NEGOTIATIONS WITH THE SOVIET UNION ARE CONTINUING ON BOTH OF THESE SUBJECTS. AGREEMENT ON A TREATY BANNING THE PRODUCTION AND USE OF RADIOLOGICAL WEAPONS IS LIKELY. PROGRESS TOWARD A COMPREHENSIVE BAN ON CHEMICAL WEAPONS

4. THE NPT AND NUCLEAR FREE ZONES. WE HAVE STRONGLY ENCOURAGED THE BROADEST POSSIBLE ADHERENCE TO THE NPT, WHICH IMPEDES THE SPREAD OF NUCLEAR WEAPONS TECHNOLOGY AND SUPPORTS THE DEVELOPMENT OF PEACEFUL NUCLEAR ENERGY PROGRAMS. WE ALSO SUPPORT THE ESTABLISHMENT OF NUCLEAR WEAPONS FREE ZONES UNDER APPROPRIATE CONDITIONS.

5. DOMESTIC POLICY. REFLECTIVE OF OUR INTERNATIONAL GOALS, THE US HAS INDEFINITELY DEFERRED DOMESTIC COMMERCIAL REPROCESSING.

6. DEVELOPMENTS ELSEWHERE. WE HAVE CLOSELY FOLLOWED NUCLEAR DEVELOPMENTS IN OTHER STATES WHICH COULD AFFECT OUR NON-PROLIFERATION GOALS. WE FOUND THE FRENCH DECISION NOT TO PROCEED WITH A REPROCESSING PLANT SALE TO PAKISTAN FULLY CONSISTENT WITH OUR NON-PROLIFERAT,ON AIMS. THE FRG'S NUCLEAR SALES AGREEMENT WITH BRAZIL CONTAINS SECTIONS, SUCH AS THE EVENTUAL PROVISION OF A REPROCESSING FACILITY, TO WHICH WE OBJECT. THE REPROCESSING QUESTION ALSO DIRECTLY AFFECTS OUR NUCLEAR RELATIONSHIP WITH JAPAN. JAPAN'S AGREEMENT TO DEFER DECISIONS FOR TWO YEARS RELATING TO THE COMMERCIAL USE OF PLUTONIUM IN LIGHT WATER REACTORS AND ON CONVENTIONAL REPROCESSING WAS THE RESULT OF CLOSE CONSULTATIONS WITH THE US.

IN THE PERIOD AHEAD:

— WE WILL CONTINUE TO ENCOURAGE THE WIDEST POSSIBLE ADHERENCE TO THE NPT. WE AND OTHER NPT STATES HAVE ENGAGED A NUMBER OF NATIONS IN DIRECT DISCUSSIONS ON NPT ADHERENCE. SEVERAL IMPORTANT NON-ADHERENTS, INCLUDING INDONESIA, TURKEY, NIGER, AND SRI LANKA, HAVE EXPRESSED INTEREST IN THE TREATY. A NPT REVIEW CONFERENCE WILL BE HELD IN 1980. OVER THE NEXT YEAR WE WILL BE FORMULATING A STRATEGY FOR THE CONFERENCE.

— WE WILL CONTINUE TO SUPPORT FULL IMPLEMENTATION OF THE LATIN AMERICAN NUCLEAR WEAPONS FREE ZONE. ARGENTINA IS EXPECTED TO RATIFY SHORTLY AND CUBA WILL THEN BE THE ONLY LATIN AMERICAN COUNTRY ELIGIBLE THAT HAS NOT DONE SO. (GUYANA IS PREVENTED FROM RATIFYING BY THE TERMS OF THE TREATY, BUT THE TREATY SECRETARIAT IS ATTEMPTING TO NEGOTIATE A FORMULA WHICH WILL PERMIT ITS ACCESSION.) PROSPECTS FOR CUBAN RATIFICATION ARE NOT GOOD.

— WITHIN THE NEXT TWO YEARS WE WILL BE RENEGOTIATING OUR AGREEMENTS FOR NUCLEAR COOPERATION IN ACCORDANCE WITH THE NUCLEAR NON-PROLIFERATION ACT OF 1978. THESE NEGOTIATIONS WILL OF COURSE REQUIRE THE ASSISTANCE OF CONCERNED OVERSEAS POSTS.

-- WE WILL CONTINUE TO WORK IN THE INFCE TO FIND A CONSENSUS ON WAYS TO MANAGE THE NUCLEAR FUEL CYCLE. THE FINAL INFCE PLENARY IS SCHEDULED FOR FEBRUARY 1980. WE WILL LOOK TO THE INFCE PROCESS FOR WAYS TO PROVIDE ASSURED FUEL SOURCES AND SPENT FUEL STORAGE AS SUPPLEMENTAL MEANS OF ENCOURAGING RESTRAINT IN THE SPREAD OF REPROCESSING AND ENRICHMENT TECHNOLOGY. BUT WE ANTICIPATE STRONG RESISTANCE FROM MAJOR NUCLEAR ENERGY STATES TO CHANGES IN THEIR NUCLEAR INVESTMENT PROGRAMS EVEN IF VIABLE ALTERNATE FUEL CYCLES ARE FOUND.

-- WE WILL CONTINUE TO WORK WITH THE SUPPLIER STATES,

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SECRET

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RR RUQMHR
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TO ALL DIPLOMATIC AND CONSULAR POSTS
RUEHGR/USINT BAGHDAD 9028
RUQMBE/AMEMBASSY BEIRUT 5786
RUTAVC/AMEMBASSY BRAZZAVILLE 1472
RUEHSA/AMEMBASSY PRETORIA 3658
INFO RUEADWW/ NSC WASHDC 1375
RUEKJCS/ JCS WASHDC 1763
RUEAIIA/ CIA WASHDC 1639
RUEKJCS/ SECDEF WASHDC 2169
RUEATRS/ TREASURY DEPARTMENT WASHDC 1166
XMT AMEMBASSY MAPUTO
BT
S E C R E T SECTION 11 OF 24 STATE 302163/11

FOR AMB OR CHARGE; INFORM CONSULS; PRETORIA PASS MAPUTO

BOTH IN THE NSG AND BILATERALLY, TO COORDINATE NUCLEAR EXPORT POLICIES.

E. NON-ALIGNED MOVEMENT (NAM)

THE NAM HAS BEEN RIVEN OVER THE LAST FEW YEARS BY INTERNAL DISAGREEMENTS OVER CUBAN POLICY IN AFRICA, THE DEGREE OF CONFRONTATION WHICH SHOULD BE PURSUED AGAINST THE WEST, AND A VARIETY OF SPECIFIC ISSUES INCLUDING QUALIFICATIONS FOR MEMBERSHIP. THESE

DISAGREEMENTS HAVE ERUPTED MORE OPENLY IN 1978 THAN PREVIOUSLY WITH YUGOSLAVIA, EGYPT, INDIA AND OTHER NAM "MODERATES" ALIGNED AGAINST MORE RADICAL NAM MEMBERS. THE NAM SUMMIT IN HAVANA IN SEPTEMBER 1979 WILL BE AN IMPORTANT TEST OF THE INFLUENCE CUBA MAY HAVE ON THE MOVEMENT OVER THE NEXT FEW YEARS AS WELL AS OF THE UNITY OF THE MOVEMENT AND US RELATIONS WITH MANY OF ITS MEMBERS. A COINCIDENCE OR REINFORCEMENT OF CONFRONTATION OVER ECONOMIC ISSUES AT UNCTAD V AND POLITICAL ISSUES AT THE NAM SUMMIT WOULD BE UNFORTUNATE. WE ARE PRESENTLY ASSESSING OUR APPROACH TOWARD THE NAM SUMMIT WITH A VIEW TO AVOIDING THIS DEVELOPMENT, A GOAL WE BELIEVE WILL BE SHARED BY A NUMBER OF KEY NON-ALIGNED COUNTRIES, AND EXPECT TO CALL ON A LARGE NUMBER OF MISSIONS TO PLAY AN ACTIVE PART IN ANY EFFORTS WE PURSUE.

SECRET

F. UN REFORM. THE PRESIDENT'S MARCH 1978 REPORT TO THE CONGRESS ON UN REFORM PROVIDES THE BASIS FOR A SYSTEMATIC, CONTINUING EFFORT BY THE UNITED STATES TO IMPROVE THE CAPACITY OF THE UN SYSTEM TO MEET THE GROWING NEEDS AND CHALLENGES OF THE GLOBAL COMMUNITY. THE US IS PARTICULARLY INTERESTED IN:

-- IMPROVED PROCEDURES FOR PEACEFUL SETTLEMENT OF DISPUTES, MORE EFFECTIVE USE OF UN DIPLOMATIC MACHINERY AND INSTITUTIONS, AND ENHANCED CAPABILITY FOR PEACEKEEPING;

-- BETTER COORDINATION OF THE TECHNICAL ASSISTANCE PROGRAMS IN THE VARIOUS UN AGENCIES, INCLUDING EXPANDED EFFORTS FOR EVALUATION, MONITORING, AND QUALITY CONTROL;

-- EXPLORATION OF PROPOSALS TO DEVELOP AUTONOMOUS SOURCES OR REVENUE FOR THE INTERNATIONAL COMMUNITY; AND

-- AMELIORATION OF THOSE PROBLEMS OF THE UN SYSTEM THAT HAVE COME UNDER INCREASING CRITICISM AND SCRUTINY FROM THE US CONGRESS AND PUBLIC, PARTICULARLY RAPIDLY INCREASING BUDGETS, THE GROWING TENDENCY OF SPECIALIZED AGENCIES TO INCLUDE TECHNICAL ASSISTANCE PROGRAMS IN THEIR ASSESSED BUDGETS, AND THE POLITICIZING OF SPECIALIZED AGENCIES.

G. CONTROL OF TERRORISM

US POLICY ON COMBATTING TERRORISM IS GUIDED BY THE FOLLOWING BASIC PRINCIPLES:

-- TO PROTECT AMERICAN CITIZENS AND US INTERESTS AGAINST TERRORIST ATTACK ANYWHERE IN THE WORLD;

-- TO PROTECT FOREIGN NATIONALS AND PROPERTY WITHIN THE JURISDICTION OF THE US;

-- TO COORDINATE OUR ANTI-TERRORIST EFFORTS FULLY WITH THOSE OF FRIENDLY GOVERNMENTS.

IN 1977-78 THERE APPEARS TO HAVE BEEN A LIMITED DECLINE IN THE OVERALL NUMBER OF TERRORIST ATTACKS AND IN THE PERCENTAGE OF SUCH ATTACKS DIRECTED AGAINST US TARGETS. STRENGTHENED SECURITY ARRANGEMENTS AT US MISSIONS ABROAD AND HEIGHTENED ATTENTION BY AMERICAN FIRMS TO ANTI-TERRORIST PRECAUTIONS HAVE CONTRIBUTED TO THIS RESULT.

THE FOCUS OF OUR DIPLOMATIC ACTIVITIES IS THE BONN

SUMMIT ANTI-HIJACKING DECLARATION, WHICH PROVIDES FOR TERMINATION OF CIVILIAN AIR SERVICES TO AND FROM COUNTRIES THAT FAIL TO EXTRADITE OR PROSECUTE A HIJACKER AND/OR TO RETURN A HIJACKED AIRCRAFT. WE WILL CONTINUE TO SEEK SUPPORT FOR THE DECLARATION AND FOR OTHER MEASURES TO PROMOTE THE SAFETY OF INTERNATIONAL AVIATION, SUCH AS THE TOKYO, HAGUE, AND MONTREAL CONVENTIONS. WE WILL BE GIVING STRONG SUPPORT TO THE WEST GERMANS ANTI-HOSTAGE CONVENTION. WE WILL ALSO BE CONCENTRATING OUR EFFORTS ON THOSE STATES WHICH ACT AS PATRONS FOR INTERNATIONAL TERRORISTS IN AN EFFORT TO DEVISE STRATEGIES FOR REDUCING THE LOGISTICAL, FINANCIAL, AND OTHER SUPPORT WHICH TERRORISTS RECEIVE
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TO ALL DIPLOMATIC AND CONSULAR POSTS
RUEHGR/USINT BAGHDAD 9029
RUQMBE/AMEMBASSY BEIRUT 5787
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RUEHSA/AMEMBASSY PRETORIA 3659
INFO RUEADWW/ NSC WASHDC 1376
RUEKJCS/ JCS WASHDC 1764
RUEAIIA/ CIA WASHDC 1640
RUEKJCS/ SECDEF WASHDC 2170
RUEATRS/ TREASURY DEPARTMENT WASHDC 1167
XMT AMEMBASSY MAPUTO
BT
S E C R E T SECTION 12 OF 24 STATE 302163/12

FOR AMB OR CHARGE; INFORM CONSULS; PRETORIA PASS MAPUTO

FROM THESE SOURCES.

H. CONTROL ON NARCOTICS

OUR POLICY CONTINUES TO BE ONE OF WORKING THROUGH OUR EMBASSIES AND IN INTERNATIONAL FORUMS TO ENABLE OTHER GOVERNMENTS TO ELIMINATE ILLICIT NARCOTICS PRODUCTION AND TRAFFIC AND TO PREVENT THE INTRODUCTION INTO THE UNITED STATES OF THESE MATERIALS.

-- MAJOR BILATERAL EFFORTS HAVE BEEN DIRECTED AT PRODUCER COUNTRIES IN EAST ASIA, THE AMERICAS, AND THE MIDDLE EAST. WE HOPE TO GAIN THE COOPERATION OF OTHER GOVERNMENTS IN THESE EFFORTS, WHILE PROVIDING THEM WITH THE NECESSARY TRAINING, EQUIPMENT, AND SUPPORT TO CONTROL PRODUCTION AND ILLICIT TRAFFIC.

-- INTERNATIONALLY, WE HAVE CONTRIBUTED TO THE UNITED NATIONS FUND FOR DRUG ABUSE CONTROL (UNFDAC) AND HAVE PARTICIPATED IN MULTILATERAL MEETINGS TO COORDINATE GOVERNMNET ACTIVITIES IN NARCOTICS CONTROL. SPECIAL CONTRIBUTIONS FROM SWEDEN, NORWAY, DENMARK AND THE NETHERLANDS HAVE DECREASED THE US SHARE OF SUPPORT FOR THE UNFDAC BUDGET, BUT STRONG EFFORTS ARE REQUIRED TO GAIN GREATER SUPPORT BY OTHER DEVELOPED NATIONS. WE ARE ALSO EXPLORING WAYS TO WORK THROUGH ASEAN AND THE COLOMBO PLAN NATIONS.

IN MEXICO, BURMA, THAILAND, AND COLOMBIA, JOINT US-HOST GOVERNMENT COOPERATION HAS BEEN PARTICULARLY SUCCESSFUL IN DISRUPTING TRAFFICKING PATTERNS AND IMPEDING THE FLOW OF ILLICIT NARCOTICS TOWARD THE UNITED STATES.

MUCH REMAINS TO BE DONE.

-- MEXICO CONTINUES TO BE THE PRIMARY SOURCE OF ILLICIT HEROIN COMING INTO THE UNITED STATES, ALTHOUGH WITH THE INCREASING SUCCESS OF THE MEXICAN POPPY ERADICATION CAMPAIGN, ITS PROMINENCE AS A SUPPLIER IS DECREASING.

-- SOUTHEAST ASIAN HEROIN, PRODUCED IN THE GOLDEN TRIANGLE, IS BECOMING AN INCREASINGLY IMPORTANT SOURCE OF HEROIN FOR THE UNITED STATES AND IS ALREADY THE MAIN SOURCE FOR THE COUNTRIES OF WESTERN EUROPE.

-- BOLIVIA AND PERU ARE THE SOURCE OF COCA, WHICH IS CONVERTED IN COLUMBIA INTO THOUSANDS OF POUNDS OF ILLICIT COCAINE REACHING THE US EACH YEAR. OUR MAJOR BILATERAL COCAINE CONTROL EFFORTS ARE PRESENTLY DIRECTED TO THESE COUNTRIES.

-- WE ALSO NEED TO FOCUS ON NARCOTICS ENFORCEMENT IN COUNTRIES AND AREAS THROUGH WHICH ILLICIT DRUGS TRAVEL TO THE UNITED STATES, INCLUDING MALAYSIA, HONG KONG, SINGAPORE, ECUADOR, COLOMBIA, INDONESIA, AND THE COUNTRIES OF THE CARIBBEAN, PARTICULARLY THE BAHAMAS.

-- WE NEED TO BRING UNDER CONTROL THE INCREASING MARIJUANA TRAFFIC INTO THE US FROM THE AMERICAS, WHICH PRODUCES VAST PROFITS AND SUPPORTS NUMEROUS ILLICIT ACTIVITIES OF CRIMINAL SYNDICATES HERE AND ABROAD.

PRIMARY AMONG THE SERIOUS PROBLEMS THAT ARE LIKELY TO WORSEN OVER THE NEAR-TERM ARE: (1) A PRESENT WORLD OVER-SUPPLY OF LICIT NARCOTICS; AND (2) THE POTENTIAL FOR A MASSIVE INFLUX INTO EUROPE AND THE US OF HEROIN NOW BEING PRODUCED IN PAKISTAN AND AFGHANISTAN.

I. THE ENVIRONMENT

SERIOUS GLOBAL AND REGIONAL ENVIRONMENTAL PROBLEMS AFFECT THE WELL-BEING OF ALL COUNTRIES. EXISTING OR EMERGING PROBLEMS INCLUDE: INCREASING AIR AND WATER POLLUTION, THE SPREAD OF TOXIC SUBSTANCES, AND THE DEGRADATION OF ARID LANDS, FORESTS, AND THE SOIL AND WATER SYSTEMS

ESSENTIAL TO SUSTAINED DEVELOPMENT. INCREASING ATTENTION HAS BEEN GIVEN TO THESE SUBJECTS IN RECENT INTERNATIONAL CONFERENCES AND MEETINGS.

THE ADMINISTRATION IS COMPLETING A MAJOR EXAMINATION OF ENVIRONMENTAL RESOURCES AND POPULATION PROBLEMS WHICH SHOULD STIMULATE CONSIDERATION OF NEW EFFORTS IN THIS AREA.

OVER THE NEXT TWO YEARS WE WILL CONTINUE TO SUPPORT THE EFFORTS OF THE UN ENVIRONMENTAL PROGRAM TO ESTABLISH A GLOBAL ENVIRONMENTAL MONITORING NETWORK AND TO ASSIST DEVELOPING COUNTRIES TO MANAGE THEIR ENVIRONMENT. IN
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R 2921247 NOV 78
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TO ALL DIPLOMATIC AND CONSULAR POSTS
RUEHCR/USINT BAGHDAD 9030
RUQMBE/AMEMBASSY BEIRUT 5788
RUTAVC/AMEMBASSY BRAZZAVILLE 1474
RUEHSA/AMEMBASSY PRETORIA 3660
INFO RUEADWW/ NSC WASHDC 1377
RUEKJCS/ JCS WASHDC 1765
RUEAIIA/ CIA WASHDC 1641
RUEKJCS/ SECDEF WASHDC 2171
RUEATRS/ TREASURY DEPARTMENT WASHDC 1168
XMT AMEMBASSY MAPUTO
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S E C R E T SECTION 13 OF 24 STATE 302163/13

FOR AMB OR CHARGE; INFORM CONSULS; PRETORIA PASS MAPUTO

THE PROCESS OF ECONOMIC DEVELOPMENT. WE WILL ALSO SUPPORT BOTH UNFPA'S AND WHO'S EFFORTS TO MANAGE THE PROBLEM OF TOXIC SUBSTANCES, IN PARTICULAR THEIR HEALTH HAZARDS. AMONG THE DEVELOPED COUNTRIES, WE WILL STRENGTHEN OUR TIES WITH NATO'S COMMITTEE ON THE CHALLENGES OF MODERN SOCIETY, THE OECD'S ENVIRONMENT COMMITTEE, AND THE ECONOMIC COMMISSION FOR EUROPE'S ENVIRONMENT PROGRAM.

MORE EMPHASIS WILL BE GIVEN THROUGH OUR DEVELOPMENT ASSISTANCE PROGRAMS TO ASSISTING DEVELOPING COUNTRIES WITH THE SERIOUS PROBLEMS OF LAND MANAGEMENT, INCLUDING THE INTERRELATED PROBLEMS OF DESERTIFICATION, DE-FORESTATION, AND SOIL EROSION. WE WILL ALSO BE CONSIDERING THE IMPLICATIONS OF POSSIBLE CLIMATE VARIATIONS OVER THE COMING DECADES.

J. LAW OF THE SEA

MAJOR PROGRESS HAS BEEN MADE SINCE THE START OF THE LOS NEGOTIATIONS ON CERTAIN ISSUES OF IMPORTANCE TO THE US, PARTICULARLY THE PRESERVATION OF TRADITIONAL NAVIGATIONAL AND RELATED RIGHTS IN THE FACE OF EXPANDED COASTAL STATE JURISDICTION OVER RESOURCES. MOREOVER, UNIMPEDED PASSAGE THROUGH, UNDER, AND OVER STRAITS HAS SURVIVED THE PROJECTED ESTABLISHMENT OF TWELVE-MILE TERRITORIAL SEAS.

US PERSISTENCE HAS BEEN REWARDED WITH AGREEMENT ON IMPORTANT PROVISIONS FOR PROTECTION OF THE MARINE ENVIRONMENT, AND WE HAVE BEEN SUCCESSFUL IN ARGUING FOR BROAD APPLICATION OF DISPUTE SETTLEMENT PROCEDURES. OUR OBJECTIVES REMAIN UNFULFILLED IN TWO AREAS: DEEP SEABED MINING AND MARINE SCIENTIFIC RESEARCH.

SERIOUS DIFFERENCES EXIST ESSENTIALLY BETWEEN THE DEVELOPED AND DEVELOPING COUNTRIES OVER (A) THE NATURE OF AN INTERNATIONAL REGIME TO GOVERN MINING ACTIVITY, AND (B) THE DISTRIBUTION OF THE PROCEEDS OF MINING. THE US HAS PROPOSED THE ESTABLISHMENT OF A "PARALLEL SYSTEM" OF EXPLORATION AND EXPLOITATION THAT IN ESSENCE RESERVES HALF OF IDENTIFIED MINE SITES FOR THE "AUTHORITY," LEAVING THE OTHER HALF TO BE MINED BY STATES OR COMPANIES UNDER CONTRACT WITH THE "AUTHORITY." THIS IS NOW ACCEPTED BY ALL AS THE BASIS FOR NEGOTIATIONS.

THE G-77 HAS BEEN CRITICAL OF PROPOSED US SEABED LEGISLATION AND CONCERNED ABOUT THE POSSIBILITY THAT MINING MIGHT TAKE PLACE OUTSIDE OF AN INTERNATIONALLY-AGREED FRAMEWORK. THEY HAVE TAKEN THE POSITION THAT SUCH MINING IS ILLEGAL UNDER INTERNATIONAL LAW. THE US MAINTAINS THAT SUCH MINING IS A HIGH SEAS FREEDOM, THE EXERCISE OF WHICH CAN BE LIMITED ONLY BY AN INTERNATIONAL AGREEMENT IN FORCE FOR THE US.

THE ADMINISTRATION HAS PROPOSED THAT SUCH LEGISLATION (A) BE INTERIM IN NATURE, I.E., BE SUPERSEDED BY A TREATY, (B) REQUIRE CONTRIBUTIONS TO A FUND FOR EVENTUAL SHARING WITH THE INTERNATIONAL COMMUNITY WHEN A TREATY COMES INTO FORCE, AND (C) NOT MAKE ANY CLAIM OF SOVEREIGN RIGHTS OVER THE DEEP SEABEDS. THIS LEGISLATION HAS BEEN ADVANCED IN ORDER TO PROVIDE A REGULATORY FRAMEWORK WITHIN WHICH US MINERS CAN CONTINUE TO DEVELOP TECHNOLOGY AND ALSO AS A MEANS TO INDICATE OUR INTENTION TO PERMIT MINING TO OCCUR WHEN ECONOMICALLY SOUND, IF NECESSARY WITHOUT A TREATY.

THE LDCS AND SOME OTHER COASTAL STATES MAINTAIN THAT MASSIVE SCIENTIFIC RESEARCH WITHIN 200 MILES SHOULD BE SUBJECT TO COMPLETE CONSENT ON THEIR PART. THE US AND OTHER RESEARCHING COUNTRIES SEEK AS MUCH FREEDOM AS POSSIBLE FOR SUCH RESEARCH, SUBJECT TO CERTAIN OBLIGATIONS ON THE PART OF THE RESEARCH STATE TO THE COASTAL NATION. OTHER IMPORTANT UNRESOLVED ISSUES INCLUDE DEFINITION OF THE OUTER LIMITS OF COASTAL STATE JURISDICTION OVER THE RESOURCES OF THE CONTINENTAL SHELF, ACCESS OF LAND-BASED AND GEOGRAPHICALLY-DISADVANTAGED STATES TO FISHERIES, AND

DEMARCATION OF MARITIME BOUNDARIES BETWEEN ADJACENT AND OPPOSITE STATES.

THE US REMAINS COMMITTED TO SEEKING A BROADLY ACCEPTABLE, COMPREHENSIVE LOS TREATY WHICH COVERS SEABED MINING, AMONG OTHER ISSUES. OVER THE NEXT TWO YEARS WE WILL WORK TO ACHIEVE SUCH A TREATY AND WRAP UP THE NEGOTIATIONS BY 1980.

IN 1979 THERE ARE LIKELY TO BE TWO LAW OF THE SEA CONFERENCE SESSIONS, THE FIRST STARTING ON MARCH 19 IN GENEVA.

K. INTERNATIONAL TELECOMMUNICATIONS AND MASS MEDIA
BT
#2163

NNNNVV ESB114BRA628
RR RUQMHR
DE RUEHC #2163/14 3340151
ZNY SSSSS ZZH
R 2921247 NOV 78
FM SECSTATE WASHDC
TO ALL DIPLOMATIC AND CONSULAR POSTS
RUEHCR/USINT BAGHDAD 9031
RUQMBE/AMEMBASSY BEIRUT 5789
RUTAVC/AMEMBASSY BRAZZAVILLE 1475
RUEHSA/AMEMBASSY PRETORIA 3661
INFO RUEADWW/ NSC WASHDC 1378
RUEKJCS/ JCS WASHDC 1766
RUEAIIA/ CIA WASHDC 1642
RUEKJCS/ SECDEF WASHDC 2172
RUEATRS/ TREASURY DEPARTMENT WASHDC 1169
XMT AMEMBASSY MAPUTO
BT
S E C R E T SECTION 14 OF 24 STATE 302163/14

FOR AMB OR CHARGE; INFORM CONSULS; PRETORIA PASS MAPUTO

IN SEPTEMBER 1979, THE WORLD ADMINISTRATIVE RADIO CONFERENCE (WARC) WILL BE CONVENED IN GENEVA UNDER THE AUSPICES OF THE INTERNATIONAL TELECOMMUNICATION UNION. FOR THE FIRST TIME IN 20 YEARS, A GENERAL WARC WILL REVIEW AND ALLOCATE RADIO FREQUENCIES THROUGHOUT THE WORLD. SOME 1000 DELEGATES FROM OVER 140 COUNTRIES ARE EXPECTED TO PARTICIPATE. WE HAVE ALREADY HELD BILATERAL CONSULTATIONS ON WARC-79 WITH 36 COUNTRIES; ADDITIONAL BILATERALS WILL BE CONDUCTED DURING THE COMING MONTHS.

IN GENERAL, THE US BELIEVES ONLY RELATIVELY LIMITED CHANGES IN FREQUENCY ALLOCATIONS ARE NEEDED AND THAT FLEXIBILITY SHOULD BE STRESSED IN ORDER TO ALLOW FOR CHANGES DICTATED BY EVOLVING COMMUNICATIONS NEEDS AND IMPROVED TECHNOLOGICAL CAPABILITIES. THE DEVELOPING COUNTRIES MAY, HOWEVER, SEEK MAJOR CHANGES IN EXISTING FREQUENCY ALLOCATIONS, IN PART TO REDRESS WHAT THEY VIEW AS A COMMUNICATION IMBALANCE BETWEEN THE NORTH AND SOUTH. IT IS NOT YET CLEAR WHETHER THEY WILL DEVELOP AND SUSTAIN A COMMON APPROACH.

OTHER LDC CONCERNS ABOUT THE IMBALANCE IN INTERNATIONAL COMMUNICATIONS INVOLVE THE FOLLOWING ISSUES:

-- A REASONABLY CONSTRUCTIVE DECLARATION OF PRINCIPLES CONCERNING THE MASS MEDIA WAS RECENTLY ADOPTED BY THE

UNESCO GENERAL CONFERENCE. THE US, WESTERN EUROPEANS AND OTHERS WERE SUCCESSFUL IN OPPOSING LANGUAGE ADVOCATING THAT THE MEDIA MUST PROMOTE GOVERNMENT OBJECTIVES.

-- A REQUIREMENT FOR THE PRIOR CONSENT OF RECEIVING COUNTRIES BEFORE INTERNATIONAL TELEVISION BROADCASTING BY DIRECT BROADCAST SATELITTES (A COMMUNICATIONS TECHNOLOGY NOT YET IN OPERATIONAL USE) CONTINUES TO BE SUPPORTED IN THE UN OUTERSPACE COMMITTEE, NOT ONLY BY THE DEVELOPING COUNTRIES AND THE SOVIET UNION, BUT BY MANY INDUSTRIALIZED DEMOCRACIES AS WELL. THE US CONTINUES TO OPPOSE THIS PROPOSED REQUIREMENT.

PROBLEMS INVOLVING CANADA AND THE WESTERN EUROPEAN COUNTRIES INCLUDE THE NEED TO ELIMINATE UNNECESSARILY RESTRICTIVE CONTROLS ON THE INTERNATIONAL TRANSMISSION OF COMPUTER DATA. THE US WILL BE PLAYING AN INCREASINGLY ACTIVE ROLE IN THIS MATTER.

L. OUTER SPACE

THE KEY ELEMENTS OF US SPACE POLICY AND PROGRAMS INCLUDE:

-- EMPHASIS ON APPLICATIONS THAT WILL BENEFIT OUR UNDERSTANDING OF EARTH RESOURCES, AGRICULTURE, CLIMATE, WEATHER, AND POLLUTION;

-- DEMONSTRATION OF TECHNOLOGICAL CAPABILITIES IN OPEN AND IMAGINATIVE WAYS BENEFITTING BOTH DEVELOPING AND DEVELOPED COUNTRIES;

-- CONTINUATION OF OUR SUPPORT FOR DEVELOPMENT OF A LEGAL REGIME FOR SPACE THAT WILL ASSURE ITS SAFE AND PEACEFUL USE;

-- ADVANTAGEOUS USE OF THE SPACE SHUTTLE TO REDUCE COSTS.

THE US WILL NOT AT THIS TIME PURSUE AS MAJOR OBJECTIVES SUCH POSSIBILITIES AS SPACE FACTORIES, SOLAR POWER SATELLITES, AND OTHER LARGE-SCALE ENGINEERING PROJECTS. HOWEVER, DEVELOPMENT OF TECHNOLOGY WILL KEEP OPEN THESE OPTIONS.

IN THE FUTURE:

-- WE WILL SEEK OPPORTUNITIES FOR INCREASED PRIVATE PARTICIPATION IN VARIOUS SPACE ACTIVITIES.

-- WE WILL CONTINUE TO PARTICIPATE IN THE UN OUTER SPACE COMMITTEE ON REVIEWING THE USE OF NUCLEAR POWER SOURCES IN SPACE AND IN FURTHER WORK ON VARIOUS ASPECTS OF SPACE LAW. THE US IS PREPARED TO TAKE PART IN DISCUSSIONS OF A DEFINITION OF "OUTER SPACE." BUT WE SEE NO SCIENTIFIC OR LEGAL BASIS FOR THE VIEWS EXPRESSED BY SOME COUNTRIES THAT THE GEO-STATIONARY ORBIT IS SUBJECT TO CLAIMS OF NATIONAL SOVEREIGNTY.

WE SUPPORT THE PROPOSAL TO HOLD A SECOND UN CONFERENCE ON OUTER SPACE SEVERAL YEARS FROM NOW. THE CONFERENCE WILL FOCUS ON SCIENCE AND TECHNOLOGY FOR SPACE RESEARCH AND APPLICATION, THE ELABORATION OF BENEFITS FROM SPACE
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RR RUQMER
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R 292124Z NOV 78
FM SECSTATE WASHDC
TO ALL DIPLOMATIC AND CONSULAR POSTS
RUEHCR/USINT BAGHDAD 9032
RUQMBE/AMEMBASSY BEIRUT 5790
RUTAVC/AMEMBASSY BRAZZAVILLE 1476
RUEHSA/AMEMBASSY PRETORIA 3662
INFO RUEADWW/ NSC WASHDC 1379
RUEKJCS/ JCS WASHDC 1767
RUEAIIA/ CIA WASHDC 1643
RUEKJCS/ SECDEF WASHDC 2173
RUEATRS/ TREASURY DEPARTMENT WASHDC 1170
XMT AMEMBASSY MAPUTO
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S E C R E T SECTION 15 OF 24 STATE 302163/15

FOR AMB OR CHARGE; INFORM CONSULS; PRETORIA PASS MAPUTO

TECHNOLOGY, AND THE NEED FOR INTERNATIONAL COOPERATION IN UNDERSTANDING THE BENEFITS FROM SPACE STUDY.

II. REGIONAL TRENDS SURVEY

A. US-SOVIET RELATIONS

OUR DIALOGUE WITH THE SOVIET UNION ON NATIONAL SECURITY ISSUES WILL CONTINUE TO SHAPE OUR RELATIONSHIP. THE ARMS CONTROL NEGOTIATIONS WHICH PROVIDE THE FORUMS FOR THIS DIALOGUE WILL CONTINUE TO GROW IN SCOPE AND COMPLEXITY. SALT WILL, AS NOTED EARLIER, IN ALL LIKELIHOOD MOVE INTO DISCUSSION OF WEAPONS SYSTEMS FORMERLY REGARDED AS TACTICAL ONLY, AND MAY HAVE TO BEGIN GRAPPLING WITH SOVIET CONCERNS THAT THEY FACE FOUR NUCLEAR POWERS WHILE THE US FACES ONLY ONE. SIGNATURE OF SALT II AND ITS RATIFICATION IN MID-1979, ACCOMPANIED BY INITIAL AGREEMENT ON THE CONTENT OF A COMPREHENSIVE TEST BAN, MAY PROVIDE SOME IMPETUS TOWARD A GENERAL IMPROVEMENT IN THE ATMOSPHERE OF THE RELATIONSHIP. CONTINUED PROGRESS IN MBFR WOULD ALSO CONTRIBUTE TO THIS PROCESS. MORE PIONEERING EFFORTS, SUCH AS THE NEGOTIATIONS ON ANTI-SATELLITE WEAPONS, WILL MOVE FORWARD AT AN UNCERTAIN PACE. THE DIALOGUE ACCOMPANYING ALL OF THESE NEGOTIATIONS SHOULD LEAD TO INCREASING FRANKNESS AND OPENNESS IN DISCUSSING MILITARY ISSUES, AN ASPECT WHICH THE SOVIETS MAY BE BEGINNING TO APPRECIATE.

POLITICAL FACTORS EXTRANEOUS TO OUR BILATERAL RELATIONSHIP WILL PLAY AN INCREASING ROLE IN THIS DIALOGUE. THE SOVIETS, LONG CONCERNED OVER A POTENTIAL CHINESE THREAT TO THEIR SOUTHERN FLANK, NOW SEE THAT THREAT TAKING ACTIVE FORM. THEY WILL BE CORRESPONDINGLY LESS WILLING TO LIMIT THEIR NATIONAL ARSENALS UNLESS CONFIDENT THEIR ABILITY TO PROTECT THEMSELVES AGAINST CHINA IS LEFT SUBSTANTIALLY INTACT.

OUR OWN NATO ALLIES WILL WANT TO PLAY A MORE ACTIVE ROLE IN ARMS CONTROL NEGOTIATIONS WITH THE SOVIET UNION, ESPECIALLY AS IT BEGINS TO AFFECT WEAPONS BASED ON THEIR SOIL. THESE NEGOTIATIONS WILL TO VARYING DEGREES BE AFFECTED BY US-SOVIET POLITICAL CONFLICTS OVER EVENTS IN THE THIRD WORLD; WE BELIEVE THE KEY NEGOTIATION, SALT, SHOULD REMAIN INSULATED,BUT THIS WILL BE AFFECTED BY THE DOMESTIC US CLIMATE OF OPINION.

SOVIET AND CUBAN ACTIVITY IN THE HORN OF AFRICA AND POTENTIALLY IN SOUTHERN AFRICA, AS WELL AS AFGHANISTAN AND SOUTH YEMEN, HAS REVIVED PUBLIC AND CONGRESSIOAL CONCERNS ABOUT SOVIET AIMS. WE HAVE ENCOURAGED NEGOTIATED SETTLEMENTS IN THE HORN AND SOUTHERN AFRICA, AND HAVE MADE IT CLEAR THAT SOVIET ACTIVITIES IN THESE AREAS CAN ADVERSELY AFFECT OUR RELATIONS. SOVIET INVOLVEMENT IN IRAN OR A MORE ACTIVE--AND NEGATIVE--ROLE IN ARAB-ISRAEL RELATIONS WOULD EXACERBATE PUBLIC AND USG CONCERNS SIGNIFICANTLY. US POLICY HAS BEEN, AND WILL CONTINUE TO BE, TO REASSURE COUNTRIES CONCERNED ABOUT SOVIET AND CUBAN ACTIONS; TO STRENGTHEN US AND WESTERN ECONOMIC, TECHNOLOGICAL AND ASSISTANCE LINKS WITH KEY COUNTRIES; AND TO AVOID THE DEVELOPMENT OF SITUATIONS SUSCEPTIBLE TO SUCH SOVIET ACTIONS BY ENCOURAGING PEACEFUL RESOLUTION OF DISPUTES.

ANIMOSITY TOWARD CHINA WILL CONTINUE UNDER BREZHNEV'S SUCCESSORS. COMPETITION WITH CHINA WILL CONTRIBUTE TO SOVIET ACTIVISM IN THE THIRD WORLD, TO INCREASING SOVIET PRESSURES ON THE WARSAW PACT MEMBERS FOR CONFORMITY, AND TO A TENDENCY TO VIEW THE RELATIONS OF ANY US ALLY WITH CHINA AS AN EXTENSION OF US POLICY. SOUTHEAST ASIA WILL CONTINUE TO BE A TARGET OF SOVIET ATTENTION, WITH VIETNAM AS THE CENTRAL POINT, AS THE SOVIETS CONTINUE TO SEEK WAYS TO CONTAIN OR COUNTERACT CHINESE ACTIVITY AND INFLUENCE.

THE SOVIETS WILL CONTINUE TO OPPOSE ANY SOLUTION TO THE MIDDLE EAST CONFLICT REACHED EXCLUSIVELY UNDER US

AUSPICES, FOR SUCH AN OUTCOME WOULD DECREASE EVEN FURTHER THEIR ALREADY SHRUNKEN INFLUENCE IN THE AREA. THEY CONSEQUENTLY WILL CONTINUE TO SUPPORT THE PLO AND RADICAL ARAB OPPONENTS OF THE CAMP DAVID APPROACH AND TO TAKE ADVANTAGE OF NEW OPPORTUNITIES TO ENHANCE THEIR RELATIONS AND INFLUENCE WITH THE COUNTRIES OF THE AREA. THEY WILL PROBABLY NOT FIND IT IN THEIR INTEREST, HOWEVER, TO HEIGHTEN TENSION TO THE POINT OF ARMED CONFLICT.

AFTER DROPPING SHARPLY IN 1977 FROM 1976 LEVELS, US-SOVIET TRADE RECOVERED IN 1978. WHILE THERE ARE NO CURRENT PLANS FOR SEEKING AMENDMENTS TO THE JACKSON-VANIK PROHIBITION ON MFN AND CREDITS FOR THE USSR, WE
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DE RUEHC #2163/16 3340155
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TO ALL DIPLOMATIC AND CONSULAR POSTS
RUEHCR/USINT BAGHDAD 9233
RUQMBE/AMEMBASSY BEIRUT 5791
RUTAVC/AMEMBASSY BRAZZAVILLE 1477
RUEFSA/AMEMBASSY PRETORIA 3663
INFO RUEADWW/ NSC WASHDC 1380
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S E C R E T SECTION 16 OF 24 STATE 302163/16

FOR AMB OR CHARGE; INFORM CONSULS; PRETORIA PASS MAPUTO

EXPECT THAT TRADE LEVELS WILL BE MAINTAINED AND EVEN GROW MODERATELY. SOVIET INTERESTS WILL STILL BE IN SOPHISTICATED TECHNOLOGY WHERE EXPORT CONTROLS ARE LIMITING FACTORS. DEMAND FOR FEEDGRAIN WILL REMAIN HIGH AND CONTINUE TO BE AN IMPORTANT ELEMENT IN BILATERAL TRADE. SOVIET FOREIGN EXCHANGE CONSTRAINTS WILL IMPOSE LIMITS ON THE VOLUME OF IMPORTS FROM THE US, AND THE RELATIVE LACK OF SOVIET EXPORTS OF INTEREST TO THE US MARKET WILL IMPOSE LIMITS ON THE VOLUME OF SOVIET EXPORTS TO THE US. SOME EXPANSION OF TRADE MAY BE POSSIBLE THROUGH INCREASED COMPENSATORY DEALS. THE SOVIETS ARE INCREASINGLY SENSITIVE TO DEVELOPMENT OF CHINESE ECONOMIC RELATIONS WITH THE WEST, PARTICULARLY IN HIGH TECHNOLOGY. US DECLARED POLICY IS BASICALLY TO TREAT US TRADE WITH THE USSR AND PRC IN THE SAME WAY IN TERMS OF EXPORT POLICY. OUR POLICY IS NOT TO SELL MILITARY EQUIPMENT OR RELATED TECHNOLOGY TO THE PRC OR SOVIETS,BUT OTHER COUNTRIES MUST DECIDE FOR THEMSELVES WHAT THEY WILL DO.

OUR HUMAN RIGHTS POLICY TOWARD THE SOVIET UNION HAS HAD MIXED RESULTS. THE SOVIETS RECOGNIZE THE POTENCY OF THE ISSUE,AND HAVE BEEN PLACED ON THE IDEOLOGICAL DEFENSIVE. AT THE SAME TIME, OUR PRONOUNCEMENTS HAVE ON OCCASION EXACERBATED TENSIONS ALREADY PRESENT IN THE RELATIONSHIP, AND THE PROSECUTION OF DISSIDENTS,PERHAPS INTENSIFIED AS A REACTION AGAINST OUR POLICY,CLEARLY

HAS COMPLICATED THE RELATIONSHIP. IMPLEMENTATION OF OUR HUMAN RIGHTS POLICY WITHIN OUR RELATIONSHIP WITH THE SOVIET UNION WILL CONTINUE TO PRESENT PROBLEMS, BUT, AS WE LEARN TO APPLY THIS POLICY MORE EFFECTIVELY OVER THE LONGER TERM, WE SHOULD BE ABLE TO MINIMIZE ITS IMPACT ON

THE RELATIONSHIP AND AT THE SAME TIME GAIN GRADUAL IMPROVEMENT IN THE STATUS OF HUMAN RIGHTS CASES OF MOST INTEREST TO US, SUCH AS EMIGRATION.

B. EASTERN EUROPE

AMONG THE CENTRAL ISSUES AND EVENTS LIKELY TO AFFECT US POLICY TOWARD EASTERN EUROPE ARE THE FOLLOWING:

-- THE POST-TITO SUCCESSION IN YUGOSLAVIA. PROBLEMS CONNECTED WITH THE SUCCESSION WILL PLAY AN IMPORTANT ROLE IN THE MAINTENANCE OF STABILITY AND SECURITY IN EUROPE AND, PARTICULARLY, IN THE BALKANS AND THE EASTERN MEDITERRANEAN. THE CONTINUED INDEPENDENCE AND VIABILITY OF A UNITED YUGOSLAVIA IS CRUCIAL TO THE US AND THE WEST.

-- THE POLISH HARD CURRENCY DEFICIT. WITHIN THE NEXT TWO TO THREE YEARS, POLAND WILL FACE THE HEAVIEST BURDEN OF ITS HARD CURRENCY DEBT REPAYMENT OBLIGATIONS. DESPITE POLAND'S DEMONSTRATED ABILITY TO FIND NEW FORMS OF DEBT RELIEF, THE POSSIBILITY THAT IT WILL BE FORCED TO SEEK A LARGE-SCALE DEBT RESCHEDULING CANNOT BE RULED OUT. EVEN IF POLAND MANAGES TO MUDDLE THROUGH WITHOUT RESCHEDULING ITS DEBTS, THE NEED TO SUPPLY ADEQUATE AMOUNTS OF CONSUMER GOODS, ESPECIALLY MEAT, AND TO CONTAIN PRESSURE FROM THE THRIVING DISSIDENT MOVEMENT WILL POSE SERIOUS TESTS FOR THE GOVERNMENT. THE US MAY FACE REQUESTS TO ASSIST POLAND IF IT CANNOT MAKE ITS HARD CURRENCY REPAYMENTS AND/OR PERSUADE WEST EUROPEAN GOVERNMENTS TO EXTEND ADDITIONAL CREDITS. SERIOUS INTERNAL DISSIDENCE AND NEW SOVIET PRESSURES ON POLAND UNDER THOSE CIRCUMSTANCES WOULD ALSO BOTH POSE DIFFICULT ISSUES FOR US POLICY TOWARD POLAND AS WELL AS TOWARD THE USSR.

-- THE MADRID CSCE REVIEW CONFERENCE. THE SECOND CSCE REVIEW CONFERENCE WILL BE HELD IN MADRID BEGINNING NOVEMBER 11, 1980. A PREPARATORY MEETING IS SCHEDULED FOR SEPTEMBER 9, 1979. AN INCREASE IN DISSIDENT ACTIVITY IN THE USSR AND EASTERN EUROPE ON THE EVE OF THE TWO CONFERENCES CAN BE EXPECTED. REACTIONS OF THE EASTERN EUROPEAN GOVERNMENTS MAY BE BASED NOT JUST ON THE DISSIDENCE ITSELF, BUT ON THE STATE OF THEIR RELATIONS

WITH THE USSR AND THE WEST, AND THEIR OWN INTERNAL STRENGTH. THEIR COURSE WILL AFFECT OUR POLICY TOWARD THEM IN AREAS BEYOND CSCE. IN PREPARING FOR THE CONFERENCE, US PLANNNERS WILL HAVE TO DECIDE HOW THE US CAN MOST EFFECTIVELY PROMOTE HUMAN RIGHTS AS WELL AS OTHER ASPECTS OF THE HELSINKI FINAL ACT. IN ADDITION, PLANNERS WILL HAVE TO CONSIDER HOW THE US CAN BEST COORDINATE ITS EFFORTS WITH THE WEST EUROPEANS AND SYMPATHETIC NNA'S. THE US WILL BE STRENGTHENING ITS INTERNAL EFFORTS IN THE NEXT 18 MONTHS ON CSCE IMPLEMENTATION IN ORDER MORE EFFECTIVELY TO PARTICIPATE IN THE CSCE REVIEW.

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R 2921247 NOV 78
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TO ALL DIPLOMATIC AND CONSULAR POSTS
RUEHGR/USINT BAGHDAD 9034
RUQMBE/AMEMBASSY BEIRUT 5792
RUTAVC/AMEMBASSY BRAZZAVILLE 1478
RUEHSA/AMEMBASSY PRETORIA 3664
INFO RUEADWW/ NSC WASHDC 1381
RUEKJCS/ JCS WASHDC 1769
RUEAIIA/ CIA WASHDC 1645
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S E C R E T SECTION 17 OF 24 STATE 302163/17

FOR AMB OR CHARGE; INFORM CONSULS; PRETORIA PASS MAPUTO

-- POTENTIAL IMPACT OF A POLISH POPE. THE ELECTION OF JOHN PAUL II IS LIKELY TO STRENGTHEN THE POSITION OF THE ROMAN CATHOLIC CHURCH IN POLAND AS WELL AS THE REST OF THE SOVIET BLOC, AND WILL ADD AN UNPRECEDENTED DIMENSION TO THE VATICAN'S OSTPOLITIK. IT MAY NOT ONLY POSE A CHALLENGE TO MOSCOW AND ITS ALLIES BUT ALSO HAVE POTENTIALLY SIGNIFICANT IMPLICATIONS FOR EAST-WEST RELATIONS AND ITALIAN DOMESTIC POLITICS. ALTHOUGH THE INITIAL SOVIET RESPONSE WAS CAREFULLY POSITIVE, MOSCOW COULD RESPOND TO THIS "CHALLENGE" WITH A BLOC-WIDE TIGHTENING OF INTERNAL CONTROL, ESPECIALLY IN POLAND, IF SIGNS GROW OF GREATER SUPPORT BY THE CHURCH FOR EASTERN EUROPEAN NATIONALISM AND RELIGIOUS FREEDOM.

C. WESTERN EUROPE

1. RELATIONS WITH LEFTIST PARTIES. PARTIES OF THE LEFT ARE RE-THINKING THEIR ENTIRE POLITICAL ALIGNMENT IN LIGHT OF THE DEFEAT OF THE LEFT IN THE MARCH LEGISLATIVE ELECTIONS IN FRANCE AND OTHER DEVELOPMENTS. THE US WILL NEED TO BE SENSITIVE TO THESE CHANGES AND THEIR IMPLICATIONS FOR US INTERESTS IN NATO AND ELSEWHERE.

2. EVOLUTION OF THE EUROPEAN COMMUNITY. IN THE NEXT FEW YEARS STEPS WILL BE TAKEN TO STRENGTHEN THE EUROPEAN COMMUNITY:

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-- FRANCE AND WEST GERMANY ARE STRENGTHENING THE COORDINATION OF THEIR POLICIES, PARTICULARLY ON THE PROPOSED EUROPEAN MONETARY SYSTEM.

-- MEMBERS OF THE EUROPEAN PARLIAMENT WILL BE DIRECTLY ELECTED, AND THIS MAY ENHANCE THE INFLUENCE OF THAT BODY.

-- GREECE, SPAIN, AND PORTUGAL WILL PROBABLY ENTER THE EC. THIS IS LIKELY TO PLACE NEW STRAINS ON EC INSTITUTIONS AND ON MEMBER STATES' INTERRELATIONSHIPS.

THESE CIRCUMSTANCES WILL SHARPEN THE PROBLEM OF PROTECTING US INTERESTS, PARTICULARLY ON SPECIAL ISSUES, WHILE NOT UNDERMINING EFFORTS TO PROMOTE EC CONSOLIDATION. IN THE CASE OF THE EUROPEAN MONETARY SYSTEM, PROBLEMS WILL BE POSED CONCERNING THE ROLE OF THE US DOLLAR AND OF THE IMF. IN THE CASE OF ENLARGEMENT OF THE EC, SEVERAL TRADE ISSUES, PARTICULARLY ON AGRICULTURE, MAY ARISE. THE NEXT FEW YEARS WILL SEE AN EVOLUTIONARY EC WITH BOTH PLUSES AND MINUSES FOR EUROPEAN COHESION AND US INTERESTS.

3. EVOLUTION OF NATO.

-- THE US WILL HAVE TO DECIDE--IN CONJUNCTION WITH ITS NATO ALLIES--WHETHER TO MODERNIZE ITS LONG-RANGE THEATER NUCLEAR FORCES, AND WITH WHAT SYSTEMS. THE US AND THE NATO ALLIES WILL ALSO HAVE TO DETERMINE WHAT ROLE INDIVIDUAL ALLIES WILL PLAY WITH RESPECT TO PARTICIPATION, COST-SHARING AND/OR BASING OF EACH NEW SYSTEM. AN IMPORTANT ELEMENT IN US AND ALLIED POLICY COORDINATION WILL BE HOW ARMS CONTROL NEGOTIATIONS ON THEATER NUCLEAR SYSTEMS MIGHT COMPLEMENT MODERNIZATION OF WESTERN LONG-RANGE CAPABILITIES.

-- WHILE THERE HAS BEEN SOME PROGRESS IN MBFR IN THE PAST YEAR, THE NEGOTIATIONS ARE LIKELY TO CONTINUE AT A SLOW PACE, WITH THE NEAR-TERM FOCUS ON RESOLVING DISCREPANCIES BETWEEN FORCE LEVEL DATA ADVANCED BY EAST AND WEST (SEE SECTION I, C, PARAGRAPH 3, ABOVE.)

-- THE ALLIANCE WILL ALSO ENCOUNTER INCREASINGLY DIFFICULT CONCEPTUAL AND CONSULTATIVE PROBLEMS IN COORDINATING VARIOUS ARMS CONTROL NEGOTIATIONS WHICH IMPINGE UPON ONE ANOTHER -- SALT, MBFR, AND CONFIDENCE-BUILDING MEASURES IN CSCE FOLLOW-UP. IN ADDITION, THE FRENCH PROPOSALS FOR AN ALL-EUROPEAN DISARMAMENT FORUM MAY REMAIN ON NATO'S AGENDA.

-- NATO WILL FACE NEW PROBLEMS IN STANDARDIZATION OF ARMS, AND THE ALLIES ARE LIKELY TO BE CONCERNED ABOUT AMERICAN WILLINGNESS TO PRACTICE A "TWO-WAY STREET" APPPOACH IN PURCHASING ARMS FROM EUROPEAN SUPPLIERS AS WELL AS SELLING THEM.

4. GREECE-TURKEY XXXXXXXXCONFLICT. CURRENT GREEK-TURKISH RELATIONS HAVE BEEN SHAPED LARGELY BY THE CYPRUS AND AEGEAN DISPUTES AND WILL REQUIRE DIFFICULT DECISIONS BY THE US ON THE FOLLOWING ISSUES:

THE EXTENT OF US ECONOMIC AND MILITARY AID AND WHETHER THAT AID SHOULD BE RELATED TO CONTRIBUTIONS
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TO ALL DIPLOMATIC AND CONSULAR POSTS
RUEHCR/USINT BAGHDAD 9035
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RUEESA/AMEMBASSY PRETORIA 3665
INFO RUEADWW/ NSC WASHDC 1382
RUFKJCS/ JCS WASHDC 1770
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S E C R E T SECTION 18 OF 24 STATE 322163/18

FOR AMB OR CHARGE; INFORM CONSULS; PRETORIA PASS MAPUTO

FROM NATO ALLIES;

-- CONTINUED WORK BY THE US TO PROMOTE RESOLUTION OF THE CYPRUS DISPUTE, BY HELPING TO ESTABLISH A BASIS FOR THE RESUMPTION OF INTERCOMMUNAL TALKS UNDER THE UN SECGEN; AND

-- WHETHER THE US SHOULD PLAY AN ACTIVE MEDIATORY ROLE IN THE AEGEAN DISPUTE, MERELY ENCOURAGE THE TWO PARTIES TO NEGOTIATE DIRECTLY, OR SEEK TO HAVE OTHER NATO ALLIES PROMOTE NEGOTIATION.

5. ECONOMIC GROWTH POLICIES. WEST EUROPEAN PROBLEMS IN COPING WITH SLOW GROWTH RATES, HIGH UNEMPLOYMENT, AND EXCESS CAPACITY IN KEY INDUSTRIES--STEEL, SHIPBUILDING, TEXTILES--COULD LEAD TO POLICIES THAT WOULD ADVERSELY AFFECT US INTERESTS. SIMILARLY, EUROPEANS WILL BE SENSITIVE TO AMERICAN ECONOMIC POLICIES WHICH AFFECT THEM. CONSULTATION ON ECONOMIC ISSUES--INCLUDING DOMESTIC ECONOMIC SITUATIONS AND POLICIES--WILL BE CENTRAL TO US-EUROPEAN RELATIONS. WE WILL NEED TO BE ALERT TO THE NARROW LINE BETWEEN GOVERNMENT EFFORTS TO RATIONALIZE ADJUSTMENT TO CHANGING TRADE PATTERNS, AND NEW FORMS OF THINLY DISGUISED PROTECTIONISM. THE OECD'S POSITIVE ADJUSTMENT EXERCISE GIVES US AN OPPORTUNITY TO INTENSIFY CONSULTATION AND COOPERATION IN THIS KEY AREA.

6. AID TO STRUGGLING ECONOMIES. ECONOMICALLY INDUCED AUSTERITY WILL CHALLENGE THE POLITICAL STABILITY OF COUNTRIES IN THE MIDDLE RANGE OF DEVELOPMENT--PORTUGAL, SPAIN, TURKEY. US BILATERAL ASSISTANCE WILL BE LIMITED. THE US WILL THEREFORE BE CONSIDERING THE EXTENT TO WHICH EFFORTS BY THE IMF, THE EC, AND PRIVATE BANKS CAN BE USEFUL.

D. NEAR EAST AND SOUTH ASIA

1. ARAB-ISRAELI PROBLEM. THE CAMP DAVID AGREEMENTS REPRESENT A MAJOR STEP IN BUILDING A FRAMEWORK IN WHICH THE PROSPECTS FOR RENEWED CONFLICT CAN BE PROGRESSIVELY REDUCED AND WITHIN WHICH THE ISSUES BOTH OF THE PALESTINIANS AND OF ISRAELI RELATIONS WITH ITS NEIGHBORS CAN BE CONSTRUCTIVELY ADDRESSED. THE COMPLICATED RELATIONSHIPS AMONG THE ARAB STATES THEMSELVES, AS WELL AS BETWEEN THE US, ISRAEL, AND THE INDIVIDUAL STATES OF THE REGION, MAKE IT CERTAIN THAT ARAB-ISRAELI RELATIONS WILL CONTINUE TO BE ONE OF OUR MAJOR POLITICAL PRIORITIES IN THE NEAR EAST. AMONG THE KEY VARIABLES, BUT ONLY ILLUSTRATIVE OF THE POSSIBLE ISSUES WHICH COULD AFFECT POLICY, ARE:

-- THE ROLE OF THE SOVIET UNION WHICH, WHILE MUTED AT PRESENT, COULD BECOME MORE ACTIVE;

-- THE ECONOMIC AND DEVELOPMENT COSTS OF PEACE IN THE REGION;

-- THE IMPACT ON A WIDERANGE OF IMPORTANT REGIONAL, GLOBAL AND DOMESTIC POLICY INTERESTS OF A POSSIBLE FAILURE OF THE MOMENTUM ESTABLISHED AT CAMP DAVID.

2. NEAR EAST AND SOUTH ASIAN SECURITY PROBLEMS. A NUMBER OF OTHER "REGIONAL" NEAR EAST SECURITY PROBLEMS HAVE THE POTENTIAL FOR DESTABILIZING THE AREA AND, THEREFORE, MUST BE CLOSELY MONITORED IN BOTH INTELLIGENCE AND POLICY TERMS.

-- THE SECURITY OF THE PERSIAN GULF AND SOUTH ASIA ARE THREATENED BY THE DETERIORATING DOMESTIC SITUATION IN IRAN, INTERNAL PROBLEMS IN PAKISTAN; AND THE NEW LEFTIST REGIME IN AFGHANISTAN.

-- IRAN IS OF PRIME IMPORTANCE. THE SITUATION THERE HAS DEVELOPED SO SWIFTLY THAT IT IS DIFFICULT TO PREDICT WHAT SPECIFIC POLICY ISSUES WILL ARISE OVER THE COMING

YEAR OR TWO. IRANIAN OIL PRODUCTION WILL SIGNIFICANTLY AFFECT INTERNATIONAL OIL PRICES; THE SURVIVAL AND STRENGTH OF THE SHAH'S GOVERNMENT, OR THE CHARACTER OF A SUCCESSOR GOVERNMENT, COULDHAVE AN IMPORTANT POLITICAL IMPACT ON THE GULF EMIRATES, IRAQ, PAKISTAN, AND SAUDI ARABIA; AND THE ROLE OF IRAN IN CENTO, COOPERATION WITH THE US ON POLITICAL-MILITARY ISSUES, AND RELATIONS WITH THE SOVIET UNION ARE OF MAJOR IMPORTANCE FOR THE SECURITY

OF THE WHOLE REGION. DEVELOPMENTS IN IRAN UNDERSCORE THE IMPORTANCE OF CLOSE MONITORING BY ALL POSTS OF LONG-TERM SOCIAL-ECONOMIC TRENDS AND MOVEMENTS WHICH MAY HIDE THE SEEDS OF SUDDEN ANDPOTENTIALLY DANGEROUS SHIFTS IN THE
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R 2921242 NOV 78
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TO ALL DIPLOMATIC AND CONSULAR POSTS
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RUEHSA/AMEMBASSY PRETORIA 3866
INFO RUEADWW/ NSC WASHDC 1333
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RUEKJCS/ SECDEF WASHDC 2177
RUEATRS/ TREASURY DEPARTMENT WASHDC 1174
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S E C R E T SECTION 19 OF 24 STATE 302163/19

FOR AMB OR CHARGE; INFORM CONSULS; PRETORIA PASS MAPUTO

POLITICAL ENVIRONMENT IN SEEMINGLY STABLE SOCIETIES.

-- THE SOVIET POSITION ALONG THE LOWER RED SEA--ETHIOPIA AND THE PDRY--HAS BEEN ENHANCED IN THE LAST TWO YEARS. THIS HAS CAUSED GRAVE CONCERN TO SAUDI ARABIA AND ITS CONSERVATIVE NEIGHBORS, WHO LOOK TO THE US AS THE ULTIMATE GUARANTOR OF THEIR SECURITY. IN RESPONSE TO SAUDI CONCERNS, WE HAVE AGREED, IN PRINCIPLE,TO SUBSTANTIAL EQUIPMENT SALES TO THE YAR, MOST OF WHICH WILL BE FINANCED BY THE SAUDIS.

-- THE WESTERN SAHARA DISPUTE INVOLVING MOROCCO, ALGERIA, MAURITANIA, AND THE POLISARIO INSURGENTS MAY CONTINUE TO UNDERMINE STABILITY IN NORTH AFRICA.

-- THE CIVIL WAR IN LEBANON HAS EXPANDED INTO A REGIONAL PROBLEM OF CONSIDERABLE URGENCY WHICH COULD TRIGGER ISRAELI AND ARAB CLASHES AND POSE INCREASINGLY GRAVE HUMAN PROBLEMS FOR THE PEOPLE OF LEBANON.

-- RELATIONS BETWEEN EGYPT AND LIBYA HAVE BEEN BAD FOR SOME TIME. AN EGYPTIAN MOVE AGAINST LIBYA COULD INVOLVE OTHER ARAB STATES, AS WELL AS THE SOVIETS.

3. POTENTIAL REALIGNMENT OF SOUTH ASIAN POLITICAL RELATIONSHIPS.

SECRET

-- OUR CHIEF CONCERNS IN AFGHANISTAN AND PAKISTAN RELATE TO THE STABILITY OF THE GOVERNMENTS AND THEIR VULNERABILITY TO SOVIET INFLUENCE,OR, IN THE CASE OF PAKISTAN, FRAGMENTATION OF THE COUNTRY.INDO-PAKISTANI RELATIONS, WHILE QUIET FOR THE TIME BEING, REMAIN SUBJECT TO LONG-TERM STRAINS AND PRESSURES DESPITE INDIA'S OVERWHELMING MILITARY STRENGTH IN THE REGION.

AN IMPORTANT ISSUE FOR US POLICY IS HOW BEST TO PROVIDE SUPPORT AND REASSURANCE TO PAKISTAN, WITHOUT EXACERBATING INDO-PAK OR INDO-US RELATIONS.

4. SOME ASPECTS OF OPEC POLICY. PERSIAN GULF OPEC MEMBERS' BALANCE OF PAYMENTS SURPLUSES HAVE OF LATE BEEN DECLINING RAPIDLY. THIS TREND WILL INFLUENCE OPEC PRICING AND PRODUCTION POLICIES. OPEC MEMBERS WILL PROBABLY FEEL THAT FURTHER SUBSTANTIAL PRICE INCREASES COULD REVERSE THIS TREND. THEY MAY ALSO ATTEMPT PRODUCTION CUTBACKS TO DRIVE PRICES HIGHER. THE US WILL NEED TO CONSIDER HOW THESE DEVELOPMENTS WILL AFFECT OPEC SOLIDARITY AND THE DEGREE TO WHICH THE US SHOULD USE ITS INFLUENCE WITH SAUDI ARABIA TO LIMIT PRICE INCREASES OR PRODUCTION CUTBACKS.

-- THE US WILL CONTINUE TO URGE THE OPEC COUNTRIES TO INCREASE THEIR FLOW OF AID TO LDCS.

5. NUCLEAR PROLIFERATION. INDIA'S DETONATION OF A NUCLEAR DEVICE IN 1974 FOCUSED OUR CONCERNS ON NUCLEAR PROLIFERATION IN THE NEA AREA. ALTHOUGH FRANCE HAS DECIDED NOT TO PROCEED WITH ITS REPROCESSING PLANT SALE TO PAKISTAN, THE GOP IS STILL SEEKING TO ACQUIRE NUCLEAR EXPLOSIVE CAPABILITY. THAT SITUATION AND OTHERS IN THE AREA WILL HAVE TO BE CLOSELY MONITORED:

-- ALTHOUGH THE DESAI GOVERNMENT HAS DISAVOWED ANY INTENTION TO BUILD NUCLEAR WEAPONS OR EXPLODE ANOTHER DEVICE, EVEN FOR PEACEFUL PURPOSES, A CHANGE IN GOVERNMENT OR A PAKISTANI ACQUISITION COULD QUICKLY CHANGE NEW DELHI'S ATTITUDE.

-- FOR IRAN, IN THE FACE OF PERCEIVED THREATS TO ITS SECURITY, THE TEMPTATION TO OBTAIN NUCLEAR INSURANCE MAY BECOME IRRESISTIBLE. UNCERTAINTY OVER FUTURE DEVELOPMENTS IN IRAN GENERALLY MAKE DEVELOPMENTS IN THIS AREA PARTICULARLY DIFFICULT TO PREDICT.

-- IRAQ'S PLANS WILL BE INFLUENCED BOTH BY IRAN'S, AND BY IRAQ'S JUDGMENTS AS TO THE FUTURE LEADERSHIP ROLE IT

MAY WISH TO PLAY IN THE ARAB WORLD.

-- WHILE MOST ANALYSTS BELIEVE THAT ISRAEL POSSESSES A LIMITED NUCLEAR WEAPONS CAPABILITY, WE WILL CONTINUE TO ENCOURAGE ISRAEL TO PLAY A RESPONSIBLE NON-PROLIFERATION ROLE.

E. EAST ASIA

1. CHINA AND THE OUTSIDE WORLD. WE AND OUR ALLIES HAVE GENERALLY WELCOMED CHINA'S "GREAT LEAP OUTWARD." BUT WE WILL NEED TO WATCH PEKING'S MOVES CLOSELY IN IMPORTANT AREAS AFFECTED BY SINO-SOVIET MANEUVERING, SUCH AS JAPAN,
BT
#2163

NNNNVV ESB120BRA641
RR RUQMHR
DE RUEHC #2163/20 3340203
ZNY SSSSS ZZH
R 292124Z NOV 78
FM SECSTATE WASHDC
TO ALL DIPLOMATIC AND CONSULAR POSTS
RUEHCR/USINT BAGHDAD 9037
RUQMBE/AMEMBASSY BEIRUT 5795
RUTAVC/AMEMBASSY BRAZZAVILLE 1481
RUEHSA/AMEMBASSY PRETORIA 3667
INFO RUEADWW/ NSC WASHDC 1384
RUEKJCS/ JCS WASHDC 1772
RUEAIIA/ CIA WASHDC 1648
RUEKJCS/ SECDEF WASHDC 2178
RUEATRS/ TREASURY DEPARTMENT WASHDC 1175
XMT AMEMBASSY MAPUTO
BT
S E C R E T SECTION 20 OF 24 STATE 302163/20

FOR AMB OR CHARGE; INFORM CONSULS; PRETORIA PASS MAPUTO

AND SOUTHEAST ASIA.

-- WE AND A NUMBER OF OTHER OECD STATES WILL BE SUBSTANTIALLY INCREASING CULTURAL EXCHANGES WITH THE PRC, AND THE NEXT TWO YEARS MAY SEE A VERY MARKED BROADENING AND DEEPENING OF CHINESE CONTACTS WITH THE WEST AND JAPAN. THE RAPIDITY AND BREADTH OF CHANGES IN CHINESE POLICY TOWARD THE OUTSIDE WORLD COULD PRODUCE INTERNAL POLITICAL REVERBERATIONS IN THE RELATIVELY SHORT-RUN AND HAVE MAJOR EFFECTS ON CHINESE POLICIES AND SOCIETY OVER THE LONGER-TERM.

-- THE PROSPECTS FOR FULL NORMALIZATION OF RELATIONS BETWEEN THE US AND PRC REMAIN UNCERTAIN, ALTHOUGH THIS OBJECTIVE, IN THE CONTEXT OF THE SHANGHAI COMMUNIQUE OF 1972, REMAINS A POLICY GOAL OF THE ADMINISTRATION. US POLICY ACTIONS WILL TAKE FULL ACCOUNT OF THE NEED TO ENSURE THE WELL-BEING OF THE PEOPLE ON TAIWAN. RECENT DECISIONS TO SELL CERTAIN COMBAT AIRCRAFT AND OTHER WEAPONS TO THE REPUBLIC OF CHINA ON TAIWAN [illegible] TO MEET THESE CONCERNS.

-- INCREASING [illegible] COMMERCIAL INVOLVEMENT WITH THE PRC WILL POSE [illegible] IMPORTANT PROBLEMS, SUCH AS IN REQUESTS FOR MILITARY SALES AND TRANSFERS OF SENSITIVE TECHNOLOGY. WE WILL WANT TO ENCOURAGE GRADUAL AND CONSTRUCTIVE CHINESE INVOLVEMENT IN POLICY AREAS OF MAJOR CONCERN

(E.G., NON-PROLIFERATION, ARMS CONTROL.)

2. JAPAN. OUR RELATIONS WITH JAPAN WILL CONTINUE TO BE CLOSE AND [illegible] FRIENDLY. ECONOMIC STRAINS IN THE RELATIONSHIP WILL PERSIST, HOWEVER, AND WILL REQUIRE CAREFUL MANAGEMENT BY BOTH SIDES.

-- THE SOVIETS ARE LIKELY TO RESIST AN EXPANDED JAPANESE POLITICAL ROLE. THE PRC WOULD WELCOME IT. JAPANESE-PRC RELATIONS ARE LIKELY TO CONTINUE TO EXPAND RAPIDLY, BOTH ECONOMICALLY AND IN CULTURAL AND TECHNICAL EXCHANGES. SOVIET INFLUENCE IN JAPAN WILL REMAIN LOW.

-- THE SOUTHEAST ASIANS ARE WARY OF AN EXPANDED JAPANESE MILITARY ROLE, WHILE WELCOMING TRADE RELATIONS AND INVESTMENT.

-- JAPANESE WILLINGNESS TO DISCUSS DEFENSE ISSUES MORE OPENLY, AND TO UPGRADE THEIR DEFENSE CAPABILITIES, IS OF INDIRECT BENEFIT TO THE SECURITY INTERESTS OF THE REGION EVEN THOUGH SOME COUNTRIES MAY EXPRESS QUALMS.

3. THE KOREAN PENINSULA. THE ADMINISTRATION'S DECISION TO WITHDRAW US GROUND FORCES FROM KOREA (COMBINED WITH THE TENSIONS OF THE "KOREAGATE" SCANDALS) SET BACK ROK CONFIDENCE IN THE ALLIANCE RELATIONSHIP. OUR DECISION TO SLOW DOWN WITHDRAWALS IN 1978, AND OUR AGREEMENT TO LARGESCALE MILITARY EQUIPMENT TRANSFERS TO OFFSET OUR WITHDRAUAL, HAVE LARGELY RESTORED THE RELATIONSHIP TO AN EVEN KEEL. WE WILL NEED TO KEEP THE NORTH-SOUTH SECURITY SITUATION UNDER VERY CLOSE REVIEW--INCLUDING A CAREFUL ANALYSIS OF NEW ESTIMATES OF HIGHER NORTH KOREAN FORCE LEVELS--AS THE NEXT PHASE OF US WITHDRAWALS APPROACHES.

WE SEE NO PROBLEMS IN THE ROK'S SEEKING CONTACTS WITH COMMUNIST COUNTRIES, INCLUDING THE USSR, AND HOPE IT WILL REMAIN FLEXIBLE VIS-A-VIS PYONGYANG IN ORDER TO TAKE ADVANTAGE OF ANY OPPORTUNITIES FOR A DIALOGUE.

4. SOUTHEAST ASIA. WE HAVE DEMONSTRATED FUNDAMENTAL SUPPORT FOR ASEAN--POLITICALLY AND ECONOMICALLY--WHILE MAKING CLEAR THAT WE EXPECT SOUTHEAST ASIAN REGIONALISM TO PROCEED AT ITS OWN PACE, WITH ITS OWN PRIORITIES. THE ASEAN STATES HAVE SHOWN GROWING COHESIVENESS; HAVE DEMONSTRATED SIGNIFICANT PROGRESS IN THEIR DOMESTIC PROGRAMS AND HAVE TIME TO CONSOLIDATE AND EXPAND THEIR DEVELOPMENT PROGRAMS. THEY ARE, HOWEVER, CONCERNED THAT

TENSIONS IN INDOCHINA, EXACERBATED BY THE SOVIET-PRC RIVALRY, MAY SPILL OVER TO CAUSE PROBLEMS IN THEIR OWN TERRITORIES AND DIVERT TIME AND ENERGY FROM DEVELOPMENT EFFORTS. US ECONOMIC AND SECURITY ASSISTANCE PROGRAMS TO COUNTRIES OF THE REGION CONTINUE TO BE IMPORTANT IN ASSURING THE SOUTHEAST ASIAN STATES OF OUR CONCERN FOR THEIR INTERESTS. UNPRECEDENTED REFUGEE PROBLEMS IN THE AREA WILL REQUIRE NEW APPROACHES AND WIDER INTERNATIONAL RESPONSES. INTERNATIONAL NARCOTICS CONTROL PROGRAMS WILL REMAIN AN IMPORTANT PART OF OUR EFFORTS IN THE REGION.

5. INDOCHINA. VIET-NAM AND KAMPUCHEA ARE INVOLVED IN
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SECRET

NNNNVV ESB121BRA642
RR RUQMER
DE RUEHC #2163/21 3340204
ZNY SSSSS ZZH
R 2921242 NOV 78
FM SECSTATE WASHDC
TO ALL DIPLOMATIC AND CONSULAR POSTS
RUEHGR/USINT BAGHDAD 9038
RUQMBE/AMEMBASSY BEIRUT 5796
RUTAVC/AMEMBASSY BRAZZAVILLE 1482
RUEHSA/AMEMBASSY PRETORIA 3668
INFO RUEADWW/ NSC WASHDC 1385
RUEKJCS/ JCS WASHDC 1773
RUEAIIA/ CIA WASHDC 1649
RUEKJCS/ SECDEF WASHDC 2179
RUEATRS/ TREASURY DEPARTMENT WASHDC 1176
XMT AMEMBASSY MAPUTO
BT
S E C R E T SECTION 21 OF 24 STATE 302163/21

FOR AMB OR CHARGE; INFORM CONSULS; PRETORIA PASS MAPUTO

A BORDER WAR THAT COULD ESCALATE TO REGIONAL SCALE, WITH EACH COUNTRY BACKED BY A RIVAL COMMUNIST GREAT POWER, KAMPUCHEA BY THE PRC AND VIETNAM BY THE SOVIET UNION. VIETNAM WANTS ACCESS TO AMERICAN GOODS AND TECHNOLOGY,

AND HAS BEEN SEEKING NORMAL RELATIONS WITH THE US IN PART AS A COUNTERWEIGHT TO SOVIET INFLUENCE AND TO IMPROVE ITS POLITICAL CREDIBILITY AMONG THE ASEAN STATES. KAMPUCHEA'S GROSS HUMAN RIGHTS ABUSES CONTINUE TO EVOKE WIDESPREAD REVULSION. AS WE SORT OUT OUR RELATIONS WITH THESE STATES WE WILL AVOID TAKING SIDES IN THE BORDER CONFLICT OR CONDONING SRV INTERVENTION, LOOK FOR WAYS OF DAMPENING THE CONFLICT AND REINFORCING INCENTIVES FOR HUMANE TREATMENT OF THE PEOPLE IN KAMPUCHEA (AS WELL AS THE SRV AND LAOS); AND ENCOURAGE CONTACTS WITH THE WEST AND JAPAN, AND INDEPENDENCE FROM THE USSR.

6. THE PHILIPPINES. THE CENTRAL ISSUE IN OUR RELATIONS AT PRESENT IS OUR DESIRE TO RETAIN OUR MILITARY INSTALLATIONS--CLARK AIR BASE AND SUBIC BAY NAVAL BASE--UNDER AN AMENDED AGREEMENT THAT WILL ENSURE OUR CONTINUED OPERATIONAL RIGHTS AND AT THE SAME TIME AFFIRM PHILIPPINE SOVEREIGNTY AND PROVIDE A LEVEL OF COMPENSATION MORE ACCEPTABLE TO THE GOP. BOTH BASES INCLUDE FACILITIES THAT COULD NOT BE REPLICATED ELSEWHERE IN THE PACIFIC AND OTHERS THAT COULD BE RELOCATED ONLY AT GREAT FINANCIAL COST. OTHER ISSUES ARE HARDLY LESS CONTENTIOUS, HOWEVER,

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AND WILL CONTINUE TO PREOCCUPY BOTH GOVERNMENTS; AMONG THESE ARE HUMAN RIGHTS, TRADE, IMMIGRATION, AND THE LINGERING FILIPINO SENSE--DERIVING FROM THE COLONIAL PAST--THAT THERE OUGHT TO BE A "SPECIAL RELATIONSHIP" WITH THE UNITED STATES. INCREASING PHILIPPINE PARTICIPATION IN ASEAN WILL MEAN THAT SOME ISSUES ARE TRANSFERRED TO THAT CONTEXT, BUT THE MOST DIFFICULT ONES WILL REMAIN IN BILATERAL CHANNELS.

F. AFRICA

OUR BASIC POLICY OBJECTIVES FOR THE REGION OF SUB-SAHARAN AFRICA ARE: TO ENCOURAGE THE PEACEFUL RESOLUTION OF OUTSTANDING DISPUTES, PARTICULARLY THOSE THAT THREATEN THE PEACE IN SOUTHERN AFRICA; TO DISCOURAGE SOVIET/CUBAN MILITARY PRESENCE IN THE REGION; TO MAINTAIN GOOD RELATIONS WITH ALL STATES; TO PROVIDE ECONOMIC AND LIMITED MILITARY ASSISTANCE TO THOSE NATIONS THAT REQUIRE OUR HELP; TO SEEK WIDE SUPPORT FOR OUR POLICIES IN INTERNATIONAL ORGANIZATIONS AND FOR OUR COMMITMENT TO HUMAN RIGHTS; AND TO MAINTAIN OUR ACCESS TO MARKETS AND SOURCES OF RAW MATERIALS. WE WILL CONTINUE OUR EFFORTS WITH OTHER COUNTRIES TO ASSIST IN THE DEVELOPMENT OF THE SAHEL REGION AND TO PREVENT A RECURRENCE OF THE FAMINE AND OTHER EFFECTS OF THE REGION-WIDE SAHEL DROUGHT OF 1968-1974.

1. SOUTHERN AFRICA. THE POLICY ISSUES WE WILL FACE IN THE REGION OVER THE NEXT FEW YEARS WILL DEPEND HEAVILY ON THE OUTCOME OF CURRENT NEGOTIATING INITIATIVES.

A. RHODESIA. RHODESIA WILL ALMOST CERTAINLY BECOME A MAJORITY-RULED STATE AT SOME POINT. US POLICY IS PRIMARILY CONCERNED WITH OPTIMIZING THE CIRCUMSTANCES IN WHICH MAJORITY RULE IS ACHIEVED. THE ANGLO-AMERICAN PLAN PROPOSES ONE FRAMEWORK WITHIN WHICH ALL OF THE CONTENDING PARTIES MAY PARTICIPATE PEACEFULLY. EVEN THE ANGLO-AMERICAN PLAN, HOWEVER, CAN PROVIDE NO GUARANTEE THAT THE PARTIES WILL NOT EVENTUALLY ABANDON CONSTITUTIONAL PROCESSES AND CIVIL WAR ENSUE. IN THE ABSENCE OF A NEGOTIATED TRANSITION TO MAJORITY RULE, A "MILITARY SOLUTION" IS LIKELY. EXTERNAL INVOLVEMENT IN THE CONFLICT WOULD ALMOST CERTAINLY INCREASE. EVEN VICTORY BY THE LIBERATION MOVEMENTS WOULD PROBABLY BE FOLLOWED BY CONFLICT AMONG RIVAL FACTIONS. US POLICY WILL FOCUS ON WORKING WITH ALL PARTIES TOWARD AN ACCEPTABLE POLITICAL SETTLEMENT WHICH WILL LEAD TO INDEPENDENCE AND MAJORITY RULE, MINIMIZING OR CONSTRAINING OPPORTUNITIES FOR SOVIET, CUBAN AND SOUTH AFRICAN MILITARY INTERVENTION AND

STRENGTHENING WHAT MAY PROVE TO BE A FRAGILE STATE ONCE INDEPENDENCE IS ACHIEVED.

B. NAMIBIA. IF PRETORIA FAILS EVENTUALLY TO AGREE TO INTERNATIONALLY SUPERVISED AND ADMINISTERED ELECTIONS, THERE WILL BE MOUNTING PRESSURES WITHIN THE UN FOR INTERNATIONAL SANCTIONS AGAINST SOUTH AFRICA. EVEN IF SOUTH AFRICA ACCEPTS THE PLAN PUT FORWARD BY THE FIVE NATION UN SECURITY COUNCIL CONTACT GROUP, THERE WILL BE PROBLEMS POSED IN TERMS OF ITS IMPLEMENTATION AND, EVENTUALLY, OVER A RESOLUTION OF THE STATUS OF WALVIS BAY, THE MAIN PORT OF THE TERRITORY WHICH SOUTH AFRICA CLAIMS IS DISTINCT FROM THE REMAINDER OF NAMIBIA. SUCCESSFUL RESO-
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NNNNVV ESB122BRA647
RR RUQMBR
DE RUEHC #2163/22 3340206
ZNY SSSSS ZZH
R 292124Z NOV 78
FM SECSTATE WASHDC
TO ALL DIPLOMATIC AND CONSULAR POSTS
RUEHGR/USINT BAGHDAD 9039
RUQMBR/AMEMBASSY BEIRUT 5797
RUTAVC/AMEMBASSY BRAZZAVILLE 1483
RUEHSA/AMEMBASSY PRETORIA 3669
INFO RUEADWW/ NSC WASHDC 1386
RUEKJCS/ JCS WASHDC 1774
RUEAIIA/ CIA WASHDC 1650
RUEKJCS/ SECDEF WASHDC 2180
RUEATRS/ TREASURY DEPARTMENT WASHDC 1177
XMT AMEMBASSY MAPUTO
BT
S E C R E T SECTION 22 OF 24 STATE 302163/22

FOR AMB OR CHARGE; INFORM CONSULS; PRETORIA PASS MAPUTO

LUTION OF THE NAMIBIA ISSUE WILL CONTRIBUTE TO AN EASING OF THE RHODESIAN PROBLEM AS WELL AS TO AN IMPROVEMENT IN US-ANGOLAN RELATIONS. THE US POSITION ON POSSIBLE SANCTIONS WILL BE COORDINATED CLOSELY WITH OUR CLOSEST ALLIES, WITHOUT WHOSE COMMON AGREEMENT SANCTIONS WOULD BE EASILY EVADED BY SOUTH AFRICA. THE ISSUE POSES DIFFICULT POLITICAL DECISIONS FOR EACH COUNTRY, INCLUDING THE US, AND WE HAVE REACHED NO FIRM POLICY DECISIONS ON WHAT KIND OF SANCTIONS MIGHT BE APPROPRIATE.

C. REPUBLIC OF SOUTH AFRICA. THE LONGER TERM ISSUES IN OUR RELATIONS WILL CENTER ON PRETORIA'A APARTHEID POLICIES AND POTENTIALLY ON SOUTH AFRICA'S NUCLEAR POLICIES AS WELL. IN THE SHORT TERM, WE SHALL CONTINUE TO ENLIST PRETORIA'S COOPERATION ON RHODESIA AND NAMIBIA THROUGH WHATEVER COMBINATION OF PRESSURES AND INCENTIVES SEEMS LIKELY TO BE MOST EFFECTIVE.

-- WHILE SOUTH AFRICA'S RACIAL PROBLEMS ARE COMPLEX AND WILL NOT BE SOLVED IN THE NEAR FUTURE, WE BELIEVE THAT THERE MUST BE A PROGRESSIVE TRANSFORMATION OF SOUTH AFRICAN SOCIETY, MOVING AWAY FROM THE PERVASIVE RACIAL DISCRIMINATION THAT NOW EXISTS AND IN THE DIRECTION OF FULL POLITICAL PARTICIPATION FOR ALL SOUTH AFRICANS. WE WILL CONTINUE TO URGE THE SOUTH AFRICANS TO BEGIN SOME KIND OF GENUINE CONSULTATIVE POLITICAL PROCESS WHICH WILL

TAKE INTO ACCOUNT THE POLITICAL ASPIRATIONS OF ALL SOUTH AFRICANS; IN THE ABSENCE OF SUCH A PROCESS, WE ARE PREPARED TO SEE OUR RELATIONS WITH SOUTH AFRICA BECOME PROGRESSIVELY COOLER.

-- WE ARE URGING SOUTH AFRICAN ADHERENCE TO THE NPT AND ACCEPTANCE OF SAFEGUARDS ON ITS NUCLEAR FACILITIES WHICH WOULD ENABLE US TO CONTINUE OUR NUCLEAR COOPERATION WITH THE SAG.

2. THE HORN. THE LAST FEW YEARS HAVE WITNESSED SHIFTING ALLIANCES AND BITTER STRUGGLES OVER ERITREAN INDEPENDENCE AND AUTONOMY AND THE OGADEN REGION OF ETHIOPIA WITH ITS SUBSTANTIAL SOMALI POPULATION. MASSIVE SOVIET MILITARY ASSISTANCE TO ETHIOPIA OVER THE LAST YEAR AND THE PRESENCE OF 15-20,000 CUBAN TROOPS ENABLED THE ETHIOPIANS TO REPEL A SOMALI ATTACK EARLY IN1978,BUT THE CONTINUING PRESENCE OF THIS OUTSIDE MILITARY SUPPORT IS OF CONCERN TO THE US, SUDAN, EGYPT AND SAUDI ARABIA. OUR INFLUENCE IN PERSUADING THE ETHIOPIANS TO REDUCE THE SOVIET/CUBAN PRESENCE IS LIMITED; WE ARE ALSO RELUCTANT TO PROVIDE COUNTER-BALANCING MILITARY ASSISTANCE TO SOMALIA SO LONG AS THE SOMALIS CONTINUE TO SUPPORT AN INSURGENCY IN THE OGADEN. UNDER THESE CIRCUMSTANCES, OUR POLICY HAS FOCUSED ON:

-- ENCOURAGING RESOLUTION OF THE ETHIOPIAN-SOMALI DISPUTE THROUGH OAU MEDIATION;

-- INDICATING TO ETHIOPIA THAT WE SHARE A BASIC AIM OF ITS REVOLUTION--IMPROVING ECONOMIC AND SOCIAL CONDITIONS FOR ITS PEOPLE--WHILE URGING AN IMPROVEMENT OF HUMAN RIGHTS PRACTICES; AND

-- SEEKING WAYS TO EASE SOMALI SECURITY CONCERNS WITHOUT PROVIDING THE OFFENSIVE MILITARY WEAPONRY SIAD DESIRES.

3. OTHER KEY STATES

-- SUDAN. OUR RELATIONS WITH SUDAN HAVE GROWN SINCE TIES WERE NORMALIZED IN MID-1976. WHEN FULLY IMPLEMENTED, OUR MILITARY AND ECONOMIC ASSISTANCE PROGRAM IN THIS COUNTRY WILL BE AMONG OUR LARGEST IN AFRICA. PROSPECTS ARE GOOD FOR EVEN BETTER RELATIONS.

-- KENYA. US/KENYAN RELATIONS ARE EXCELLENT. WE ARE PLEASED THAT PRESIDENT MOI SUCCEEDED KENYATTA THROUGH NORMAL CONSTITUTIONAL PROCESS, THAT US SHIPS AND AIRCRAFT ARE STILL WELCOME IN KENYA, AND THAT THE GOVERNMENT IS

ATTEMPTING TO REDUCE CORRUPTION AND BROADEN THE BASE OF POLITICAL PARTICIPATION. WE PLAN TO CONTINUE OUR ECONOMIC AND MILITARY ASSISTANCE, BUT WILL WATCH THE IMPACT OF KENYA'S MILITARY EXPENDITURES ON ITS ECONOMIC AND DEVELOPMENT PROGRAMS CLOSELY.

-- NIGERIA. WE HOPE FOR, BUT ARE NOT BANKING ON, A PEACEFUL TRANSITION TO CIVILIAN RULE, AVOIDANCE OF COMMUNAL TENSIONS AND IMPROVEMENTS IN OVERALL ECONOMIC CONDITIONS. THE PRESIDENT HAS PROMISED CONTINUED ASSISTANCE AND WE ARE CONSIDERING NEW BILATERAL PROGRAMS.

-- ZAIRE. THE RESTORATION OF ORDER IN THE SHABA REGION
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SECRET

20 Nov 7[illegible] 12

NNNNVV ESB123BRA649
RR RUQMBR
DE RUEHC #2163/23 3340208
ZNY SSSSS ZZH
R 292124Z NOV 78
FM SECSTATE WASHDC
TO ALL DIPLOMATIC AND CONSULAR POSTS
RUFFOR/USINT BAGHDAD 9040
RUQMBE/AMEMBASSY BEIRUT 5798
RUTAVC/AMEMBASSY BRAZZAVILLE 1484
RUEPSA/AMEMBASSY PRETORIA 3670
INFO RUFADW/ NSC WASHDC 1387
RUEWJCS/ JCS WASHDC 1775
RUEAIIA/ CIA WASHDC 1651
RUEKJCS/ SECDEF WASHDC 2181
RUEATRS/ TREASURY DEPARTMENT WASHDC 1178
XMT AMEMBASSY MAPUTO
BT
S E C R E T SECTION 23 OF 24 STATE 302163/23

FOR AMB OR CHARGE; INFORM CONSULS; PRETORIA PASS MAPUTO

BY AN INTERNATIONAL FORCE EARLIER IN 1978 HAS CONTRIBUTED TO A WILLINGNESS ON THE PART OF ZAIRE AND ANGOLA TO WORK TOWARD IMPROVED RELATIONS AND LED TO A RAPID SHORT-TERM RECOVERY OF THE MINERALS SECTOR IN ZAIRE. THE EVENTUAL DEPARTURE OF THE INTERNATIONAL FORCE FROM SHABA WILL BE AN IMPORTANT TEST FOR THE ZAIRE GOVERNMENT'S POLICIES IN GAINING SUPPORT FROM THE LOCAL POPULATION, FOR ZAIRE-ANGOLAN AGREEMENTS ON RESTRAINING THE INSURGENCY, AND FOR THE SUCCESS OF FRENCH AND BELGIAN MILITARY TRAINING AND REORGANIZATION EFFORTS. IN RECENT YEARS ZAIRE HAS RECEIVED MORE US AID THAN ANY OTHER AFRICAN STATE. YET, IN THE ABSENCE OF SIGNIFICANT REFORMS, NO AMOUNT OF AID CAN IMPROVE ZAIRE'S ECONOMIC, MILITARY, AND POLITICAL STABILITY; AND US ASSISTANCE WILL FACE INCREASING CRITICISM AT HOME. AMONG THE POLICY ISSUES WE NOW FACE ARE:

-- HOW TO USE BILATERAL ASSISTANCE MORE EFFECTIVELY TO PROMOTE REFORM;

-- HOW TO ACHIEVE COORDINATION AMONG DONORS IN PROMOTING REFORM; AND

-- FOW TO ENCOURAGE CONTINUED ZAIRE-ANGOLAN COOPERATION.

4. DISPUTE SETTLEMENT. THE PROMOTION OF AN EFFECTIVE SYSTEM OF SETTLING AFRICAN REGIONAL DISPUTES IS LIKELY TO REMAIN A PERSISTENT ISSUE.

SECRET

-- WE AND THE AFRICANS BELIEVE THAT IT IS PREFERABLE TO HAVE AFRICAN SOLUTIONS TO AFRICAN PROBLEMS, BUT OAU MECHANISMS FOR MEDIATING DISPUTES ARE WEAK AT BEST.

-- A STRENGTHENED OAU ROLE IN MUTING INTER-AFRICAN DISPUTES COULD HELP ACHIEVE OUR GOAL OF LIMITING OUTSIDE INTERFERENCE ON THE CONTINENT AND REDUCING GROWING SOVIET AND CUBAN MILITARY PRESENCE.

BUT AS IN THE ETHIOPIAN-SOMALI SITUATION, WE ARE SOMETIMES LIKELY TO FIND OURSELVES IN SITUATIONS WHERE WE WANT TO PROMOTE A SETTLEMENT, BUT ARE FRUSTRATED BY THE INABILITY OF THE AFRICANS TO ACHIEVE ONE AND BY THEIR RELUCTANCE TO CONSIDER OTHER MEANS OF SETTLEMENT--E.G., RESORT TO THE UN.

5. IMPROVING RELATIONS WITH AFRICAN "PROGRESSIVES". RELATED TO ALL OF THE FOREGOING ISSUES IS THE PROBLEM OF IMPROVING OUR RELATIONS WITH THE AFRICAN "RADICAL" OR "PROGRESSIVE" STATES. IMPROVED RELATIONS WITH THESE STATES COULD HELP LIMIT THE EXTENT OF SOVIET-CUBAN INVOLVEMENT ON THE CONTINENT. A NUMBER OF "PROGRESSIVES" HAVE SIGNALED THEIR INTEREST IN IMPROVED RELATIONS (GUINEA, CONGO-B, ANGOLA). WHILE IDEOLOGICAL DIFFERENCES MAY REMAIN, THESE STATES ARE ATTEMPTING TO REDUCE THEIR DEPENDENCE ON THE SOVIETS AND THEIR ALLIES AND ARE TURNING TO THE WEST FOR TRADE AND INVESTMENT.

G. LATIN AMERICA

1. GENERAL: THE RATIFICATION OF THE PANAMA CANAL TREATIES HAS REMOVED A LONGSTANDING IRRITANT IN US-LATIN

AMERICAN RELATIONS. THE PAST TWO YEARS HAVE WITNESSED MARKED PROGRESS IN THE AREA OF HUMAN RIGHTS IN SEVERAL NATIONS AND FORWARD MOVEMENT IN THE AREA OF CONVENTIONAL ARMS RESTRAINT, DEMOCRATIZATION, AND PEACEFUL SETTLEMENT OF DISPUTES.

2. CENTRAL AMERICA: PRESSURES FOR FUNDAMENTAL POLITICAL CHANGE IN NICARAGUA AND EL SALVADOR ARE MOUNTING. GUERRILLA ORGANIZATIONS AND CENTER-LEFT FORCES COMMITTED TO STRUCTURAL CHANGE ARE ACTIVE IN BOTH COUNTRIES AND CONTINUED TURMOIL IS LIKELY.

-- THE US WILL CONTINUE TO SEEK WAYS TO FOSTER DEMOCRATIC DEVELOPMENT AND RESPECT FOR HUMAN RIGHTS IN CENTRAL AMERICA, AND TO AVOID AN ESCALATION OF INTERNAL POLITICAL

VIOLENCE.

3. MEXICO: MEXICO'S ENORMOUS PETROLEUM RESERVES AND GROWING ECONOMIC STRENGTH POTENTIALLY INCREASE ITS BARGAINING LEVERAGE WITH THE US. AT THE SAME TIME, A HOST OF COMPLEX PROBLEMS HAS COME TO DOMINATE THE AGENDA OF US-MEXICAN RELATIONS: TRADE ISSUES, MIGRATION, DRUGS, THE BORDER PROBLEMS OF SMUGGLING, CRIME, WATER, AND POLLUTION--ALL THESE IN ADDITION TO ENERGY-RELATED CONCERNS.

RELATIONS BETWEEN MEXICO AND THE US, BOTH UNDER NEW ADMINISTRATIONS, GOT A LIFT IN 1977 WITH A VISIT BY PRESIDENT LOPEZ PORTILLO TO THE US. WHILE THE LACK OF
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#2163

NNNNVV ESB124BRA653
RR RUQMBR
DE RUEEC #2163/24 3340210
ZNY SSSSS ZZH
R 292124Z NOV 78
FM SECSTATE WASHDC
TO ALL DIPLOMATIC AND CONSULAR POSTS
RUEFCR/USINT BAGHDAD 9041
RUQMBE/AMEMBASSY BEIRUT 5799
RUTAVC/AMEMBASSY BRAZZAVILLE 1485
RUEESA/AMEMBASSY PRETORIA 3671
INFO RUEADWW/ NSC WASHDC 1388
RUEKJCS/ JCS WASHDC 1776
RUEAIIA/ CIA WASEDC 1652
RUDKJCS/ SECDEF WASHDC 2182
RUEATRS/ TREASURY DEPARTMENT WASHDC 1179
XMT AMEMBASSY MAPUTO
BT
S E C R E T FINAL SECTION OF 24 STATE 302163/24

FOR AMB OR CHARGE; INFORM CONSULS; PRETORIA PASS MAPUTO

AGREEMENT ON THE TERMS UNDER WHICH MEXICAN NATURAL GAS COULD BE EXPORTED TO THE US AND THE "TORTILLA CURTAIN" REFLECT RECENT IRRITANTS TO OUR RELATIONS, THE PRESIDENT'S VISIT (SCHEDULED FOR FEBRUARY) SHOULD GIVE OUR BILATERAL RELATIONS A SIGNIFICANT BOOST.

4. IN ADDITION TO THE MARKED PROGRESS WHICH HAS TAKEN PLACE IN SEVERAL NATIONS IN THE AREA OF INDIVIDUAL HUMAN RIGHTS DISCUSSED IN SECTION "I,B" ABOVE, THE US HAS ENCOURAGED MOVEMENT TOWARD CIVILIAN DEMOCRATIC GOVERNMENT IN LATIN AMERICA. US EFFORTS MOST RECENTLY HAVE FOCUSED ON FOUR COUNTRIES--THE DOMINICAN REPUBLIC, ECUADOR, BOLIVIA AND PERU. DESPITE SETBACKS, THERE HAS BEEN CONSIDERABLE PROGRESS TOWARD DEMOCRATIZATION, TEE INAUGURATION OF PRESIDENT GUZMAN IN THE DOMINICAN REPUBLIC BEING A PRIME EXAMPLE.

5. CARIBBEAN COOPERATION: THE CARIBBEAN IS BESET BY A COMBINATION OF RECESSION, HIGH UNEMPLOYMENT, AND INFLATION, WHICH THREATENS TO DESTABILIZE THE COUNTRIES OF THE REGION. THE INDEPENDENCE OF DOMINICA, AND THE PROSPECTIVE INDEPENDENCE OF THE REMAINING BRITISH WEST INDIES COLONIES WILL ADD TO THE NUMBER OF MINI-STATES IN THE AREA WHOSE VIABILITY IS IN DOUBT. THE US RESPONSE HAS BEEN TO ENCOURAGE A COMPREHENSIVE REGIONAL APPROACH TO THE CARIBBEAN PROBLEM. THE WORLD BANK CARIBBEAN DEVELOPMENT GROUP IS AN EXAMPLE OF AN APPROACH TO THE PROBLEM

WHICH WE HOPE WILL CONTRIBUTE TO POLITICAL AND ECONOMIC STABILITY IN THE CARIBBEAN SUB REGION.

6. THE EMERGENCE OF MIDDLE LEVEL POWERS: IN ADDITION TO MEXICO, SEVERAL OTHER LATIN STATES ARE ASSUMING MORE INFLUENTIAL ROLES IN WORLD AFFAIRS AS MIDDLE-LEVEL POWERS. BRAZIL, BECAUSE OF ITS SIZE, ECONOMIC POTENTIAL, AND DYNAMISM, AND VENEZUELA, WITH ITS ENERGY RESOURCES, ARE WELL ON THEIR WAY TO BECOMING SUPRA-REGIONAL POWERS. ARGENTINA COULD ALSO BE IN THIS CATEGORY, ALTHOUGH IT HAS BEEN SERIOUSLY DISTRACTED BY INTERNAL PROBLEMS IN RECENT DECADES. ECONOMIC ISSUES IN BRAZIL (TRADE) AND VENEZUELA (ENERGY) WILL LOOM LARGE IN OUR BILATERAL RELATIONS, PARTICULARLY NOW THAT THE LIBERALIZING TREND IN BRAZIL HAS MADE HUMAN RIGHTS LESS OF AN IRRITANT IN OUR RELATIONS. IN THE CASE OF ARGENTINA, HUMAN RIGHTS HAS DOMINATED RELATIONS AND IT IS UNCERTAIN WHETHER INTERNAL DEVELOPMENTS THERE WILL MARKEDLY IMPROVE BILATERAL RELATIONS. THE US MUST DECIDE TO WHAT EXTENT IT CAN ACCOMMODATE THE ECONOMIC DEMANDS OF THESE UPPER-TIER LDCS--AND INDEED THE REST OF THE THIRD WORLD--AND HOW TO DEAL WITH THEM GIVEN THEIR INCREASED INFLUENCE AND IMPORTANCE.

7. ARMS RESTRAINT AND DISPUTE SETTLEMENT: THE LATIN AMERICAN EFFORT TO CREATE A NUCLEAR FREE ZONE IN THE WESTERN HEMISPHERE HAS MADE CONSIDERABLE PROGRESS. (SEE SECTION I,D, PARAGRAPH 6 ABOVE.)IN THEAREAOF CONVENTIONAL ARMS RESTRAINT, THE MEXICAN INITIATIVE TO DEVELOP A CONVENTIONAL ARMS RESTRAINT REGIME WITHIN THE HEMISPHERE IS MOVING AHEAD WITH ACTIVE US ENCOURAGEMENT. FIVE LATIN AMERICAN BOUNDARY DISPUTES HAVE BEEN ACTIVE DURING THE PAST TWO YEARS. THEY HAVE BEEN BETWEEN: EL SALVADOR AND HONDURAS; ECUADOR AND PERU; BOLIVIA, CHILE, AND PERU; GUATEMALA AND BELIZE; AND ARGENTINA AND CHILE. THE

COMING TWO-THREE YEARS COULD WELL SEE THE US FORCED TO INVOLVE ITSELF MORE ACTIVELY IN EFFORTS TO ENCOURAGE PEACEFUL SETTLEMENTS SHOULD ANY OF THESE CONFLICTS INTENSIFY.

8. ORGANIZATION OF AMERICAN STATES: THE US AND MEXICO ARE AMONG THE REGIONAL NATIONS WHICH ARE HOPING TO REDEFINE THE GOALS AND OBJECTIVES OF THE INTER-AMERICAN SYSTEM AND RESTRUCTURE THE ORGANIZATION OF AMERICAN STATES TO MAKE IT MORE RELEVANT AND RESPONSIVE TO THE NEEDS OF THE HEMISPHERE. AMONG THE PROBLEMS WE EXPECT TO FACE ARE THE FOLLOWING: ENTRY OF AN INCREASING NUMBER OF ANGLOPHONE MINI-STATES FROM THE CARIBBEAN (WHICH THREATEN

PAGE SEVENTY SECRET 17313

TO UPSET THE TRADITIONAL VOTING PATTERN OF THE ORGANIZATION TO THE DETRIMENT OF THE LARGER CONTINENTAL STATES) AND LATIN AMERICAN EFFORTS TO USE THE ORGANIZATION TO GAIN ECONOMIC CONCESSIONS FROM THE US. VANCE
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SECRET

Atomic Weapons Not in Others Hands

The U.S.A. ardently hoped to maintain its nuclear superiority and monopoly after W W II. The Soviet acquisition of this weapon shattered America's hopes. Following this, these two superpowers tried to rule over the world by maintaining their joint-monopoly of atomic weapons. That is why in 1963, when inspecting French nuclear installations, De Gaulle had said: "The permanent monopoly of the two superpowers of atomic energy implies that the world has given in to their joint domination and our country cannot accept such a thing."[14]

Basically, De Gaulle instructed the building of the atomic bomb because of his mistrust of the U.S.A. and due to his desire not to act under U.S. domination. One of the major disputes between China and the Soviet Union arises from the agreement of the two powers that atomic weapons not be spread everywhere. China interpreted this as their not wanting her to gain access to nuclear arms.

The insistence of the U.S.A. to keep its domination of atomic power lies in the fact that it wants its views to remain unchallenged. These views include non-accession of other powers to atomic energy. There is absolutely no humanitarian or ethical considerations involved in this and the U.S.A. is not truthful even on this point, that is, in addition to the five nuclear powers, other countries like Brazil, India, Pakistan, Israel and South Africa have gained access to nuclear weapons or are about to do so. In this Israel and South Africa have had mutual cooperation and nearly all observers believe that it has, several atomic bombs[15] but the U.S.A. took no step to oppose Israel and did not even pretend to pressure Israel for not having them. However, the policy of the U.S.A. is quite different in this matter in respect to Pakistan[16].

When the U.S. politicians complained of South Africa's nuclear policies they were told that this will affect their relations in the longrun* and, obviously, the phrase 'longrun' concerns the future. It is uncertain. Today, seven years after the writing of this document, it is clear that the relations of those two countries have even improved rather than becoming aggravated.

In another part of the document it is stated** that "many analysts believe that Israel enjoys limited atomic power. We shall demand that Israel play an effective role in the confinement of atomic power in this region". It is surprising that the U.S.A. who knows all about the Soviet atomic doings, knows nothing about Israel's access to atomic weapons? And it only quotes probabilities assumed by the analysts?

* *page 13 of present volume.*
** *page 68 of present volume.*

"Annex Number Two"

Human Rights

Defense of human rights and the violation of God-given human rights by cruel people, has always been a subject of discussion. The question is who violates human rights in the modern world? What are the cases of violation? Nearly all cases of violation of human rights have occurred in the West, (that is Europe and America), the expressions and even the terminology are Western.

Inquisition investigation; pogroms (massacre): ghetto rounding-up of minorities) Idolization (extirpation of minorities); holocaust (sacrificial offering of burning); imperialism, old and new (colonialization); apartheid (racism); and even buying and selling slaves (slave trade) existed in its worst form in the 18th and 19th centuries by Europeans in America. American cotton fields in the south were made productive by black slaves. By merging the ideologies of trade and slavery; slavery was given a firm basis. Protagonists of this type of thinking still exist in North America and in South Africa and are in power.[17]

The important matter is: Has human rights been recognized as a principle in the Western culture? Or, is it being used as a new weapon to dominate the oppressed peoples of the world? In other words, are there any differences in the thinking of Reagan and Peter Botha? That if these two men swap posts just now, will there be any changes in the domestic of foreign policies of either of the two countries? Or, will there be no substantial change and they rule in two apparently different methods because social conditions demand it! Obviously, the answer to the above questions are negative. That is, human rights is not a value principle for the West according to which act under all conditions in every regime due to faith in them. Now, it must be made clear what conditions and background made the West to claim pioneership of human rights?

Several major changes in the world and within the industrial countries occurred that have encouraged the West to use human rights as a weapon. The first change occurred in the economic conditions of the Western industrial countries. Entering an economic boom resulted in the development and expansion of the middle class (or bourgeois) and in the termination of upheavals and strikes by the deprived people and unemployed workers against the capitalist regime. Internal organizations of the Western systems became firm and stable. All political controversies and conflicts stayed within the law. Thus the dangers of revolution and change of political systems were negated. And even when socialist parties come to power, no major change appears in the political, foreign and domestic policies of these countries. Prior to the period of economic plenty or abundance, human rights were violated in the West in the most atrocious and revolting manner. The most fascistic regimes have appeared during this period in Hitler's Germany, Mussolini's Italy and Franco's Spain. If these things do not seem to appear in Scandinavia, England or France it is not because they are liberal but is due to their inaccessibility to expansionism

(Scandinavia), or to the impossibility for continental expansionism (Englan and Frace), These last two regimes have been essentially butchering human rights in their colonies.

Other changes can be found in communication media such as radio and television (mass media). This evolution is so important that the present century, with all its advancements in various ways, can be called the age of communication. The strong influence of the communication mass media and the intuitive opposition of the people to dictatorship and injustice have compelled Western governments to admit certain principles into their domestic policies. Such changes include the changes and extension of voting rights, women's right to vote and then be elected, etc.[18] Even observation of social rights such as working hours, retirement, insurance, etc., emanated from Western societies, along with labor struggles. It is not that the Western capitalistic system has accepted such changes of its own volition. And it is now the ruling social and economical conditions of their countries that makes them defend this way of thinking[19]. Western thinking, especially after the Middle Ages, has been severely affected by social change and is devoid of stable holy values. Although, changes in communication along with economic changes forced the West to accept some political and social reform. On the other hand, the capital very speedily maintained its rule over the communication media. When this media acted against the order, they fell under capitalist domination and became important tools for the preservation of capitalism from democratic dangers. In other words, democracy or the rule of the people has today changed to the rule of the mass media and it is in turn, ruled by capital. This is how the motto of democracy and its use as a weapon has been made easy in the West. Maurice de Verge explains in the book "Political Sociology" how the mass media is converted into a political weapon and moved in the direction of concentration or centralization, with all local newspapers in the monopoly of one or two major newspapers and how these means are used as a tool against democracy, Thus, variation, which is the fountainhead of freedom of the press, cedes to monopoly and moves towards hue and cry and stupe faction of the people.[20]

Another change is a drop in the politio-military velocity of the west in colonializing Third World countries. The change in the balance of power to a balance of terror and the impractibility of the atomic weapon in solving regional problems as desired and the growth of power in the Third World countries,[21] have prompted the West to try to discover new weapons of oppression and world domination for it is too stale to cry out: "Imperialism is a solution for the bread problem. If you want not to have internal strife, you should then become imperialist"[22] and force is too old a weapon to enforce imperialism."

To use the "human rights" issue as a weapon, certain changes, particularly in the U.S.A. with respect to racism, was necessary within the Western countries "although theoreticians have attempted to relate the matter to the policy of blocking American influence." The U.S.A. had to assume a new policy (versus Soviet

influence) because military pacts and blockading of influence had not worked. To infiltrate in other countries, the U.S.A. needed to have lawfulness in its own domestic policies and, therefore, to control negative reactions abroad it had to change its policies with respect to the blacks.[23] On the other hand, Third World countries do not generally have suitable political, social and economic backgrounds to enable them to have Western forms of government and, if they do not comply with Western demands, they will be invaded and harassed by Western political propaganda. If a Third World independent and non-aligned country decides to continue its life with a non-Western style of living, it will soon be bombarded by Western political and cultural intrigues and if it does not submit toWestern pressure but act as its own nation sees fit, it will be constantly under the harassment of Western propaganda and its affiliated agencies will be accused of violation of human rights.

A point worth mentioning is that Third World intellectuals, even their mass media, are trapped in these Western networks and assail their fellow - countries with this type of reasoning -- from the view point of democrcy in its Western sense. Thus, to a Third World intellectual, the type of government in India is superior to that of China or Algeria. Of course the opposite view, that the farther removed a government from Western democracy the better it is, is false reasoning. But the gist of the matter is the criteria for determinig the relative falsehood or truth of these regimes is not decided in the West.

Therefore, we arrive at the conclusion that human rights, in its Western sense and interpretation, is based on Western interests under particular historical or economic circumstances and conditions, and has no value. It is not even affected by Christianity, otherwise, there should have been some signs of it in the Middle Ages or periods after that. Contrary to this, there are other countries, especially the Islamic countries, in which human rights have been part and parcel of their faiths and principles of value. The performance of western systems, whether befor of after WWII or even during that war, has been inhumán in the absolute. Even today, examples of this treatment, which lie like hot ambers under ashes can be seen in the West. Such things as racial attacks on Muslims in France; on the blacks in England; against non-European aliens in Germany etc., clearly prove this. Whereas, in Islamic countries, conditions have not been and are not like that. When Spain was in Muslim hands, the three religions lived side by side with one another. But, when Spain was recaptured by European Christians, the most savage acts were performed by them against the Muslims. While during the Ottoman Empire, when it had pushed in as far as Vienna, no compulsion was used to turn the people into Muslims. The non-Muslims went on with their own lives and worship. Even their center of faith in **Istanbul** was preserved.

It is appropriate at this point to mention part of the response issued by the Islamic Republic Embassy in Bonn to the announcement of the position of the

National Social Democratic Party of Germany concerning Iran dated October, 1985.*

"No systematic follow-up of religion ever existed in Muslim countries. Control of religious beliefs (inquisition; massacre (pogrom); rounding-up of minorities (ghetto); eradication of minorities (idolization); (holocaust), are all terms which originated in the West, They apply to specific actions with long tradition in this land. We owe these acts to civilized nations who, now and then, try to teach us human rights.

... The peaceful coexistence of these three religions during the Islamic rule in Spain and the religious pursuit of these religions after the retake of Spain is something worth mentioning...

The thirty-year war among Christians, reduced the population of Europe to half. Jews and Muslims lived side by side peacefully in Palestine until European Jews who were being prosecuted took refuge in Palestine and themselves began to prosecute others (because they were Jews with European up-bringing and temper). The history of the Third Reich and the crimes of Germans as the most civilized European peoples are quite well known."

We shall now deal with the reality of the U.S. policy of human right which had climaxed during the Carter administration and has appeared in this document in concise form:

Human rights concerns have become an integral part of all our dealing with other governments, from private diplomatic exchanges to aid programs and military relationships.**

The statement of this general policy does not preclude - finding its opposite spirit throughout the text. This point is clearly seen in the regional analysis of Africa and Latin America. page 81 while expressing joy over considerable human rights improvement in several Latin American countries, states where the U.S. has wanted the establishment of civilian democratic governments in that part of the world. However, it does not explain the relationship between the rough and inhuman conditions there with the general rule and domination of the U.S.A. What are the reasons for growth and development of most dictatorial rulers in America's private zone of security?? How is it that in other parts of Asia and Africa, some of which are economically and socially behind other Latin American countries, much more human governments exist. More importantly, what obstacles whether political or economic have they considered in their relations with these countries? In this highly confidential document, no mention is made of the violation of human rights in

* *To know about human rights in Germany, refer to the book "Retrogression" by Gunther Walroff, translated by S. Pussti, published as footnotes by Persian daily Kayhan since 1986.*

** ***page 30 of present volume.***

countries like Brazil, Argentina, Chile and Uruguay. Why is it that if border disputes occur among countries, the U.S.A. has to intervene,* but does not have the power to prevent violations of human rights in these countries?

Amid all this, only Nicaragua and El Salvador have been seriously threatened by the revolutionists. To defend the Americanization of these regimes and control basic evolutionary changes and crisis* the U.S.A. tries to effect essential changes in these two states, while other regional governments don't fall short of these two countries from the human rithts point of views.

"The U.S. will continue to seek ways to foster democratic development and respect for Human Rights in Central America and to avoid an escalation of internal politial violence.*

It is to be asked whether violation of human rights is something new, or is it as old as the Monroe Doctrine and why nothing has been done about it so far? The answer is clear because in any section of the text where justification of current policies has not been in line with other parts of the directive, it has, somehow, been connected with the vague and imaginary future.

For example, in another chapter, we see this: ***"While South Africa's racial problems are complex... we will continue to urge the South Africans to begin some kind of genuine consultative political process... in the absence of such a process, we are prepared to see our relations with South Africa become progressively cooler".****

By presenting racial problems as complicated, a cruel prejudgement is inculcated in favor of the racist regime. Then they postpone the political consultation trend to a future time. It is clear that no such request has so far been made and finally they believe that if this trend was never started, relations would grew cold but the time exact ceiling is unknown. Today, ten years have passed since writing the text of this document. All bear withness that from America's viewpoint racial complexity is of such degree that it is logical such a trend not to be started as it is not time for the relations between the two countries to grow cold. The warm relations of which human rights is an inseparable part.

In yet another place we read: ***"If Pretoria fails eventually to agree to internationally supervised and administered elections, there will be mounting pressures within the UN for international sanctions against South Africa... The issue poses difficult political decisions for each country, including the US, and we have reached no firm policy decisions on what kind of sanctions might be appropriate.****

* *page 83 of present volume.*
* *page 80 of present volume.*
* *page 80 of present volume.*
* *page 76 of present volume.*
* *page 75 of present volume.*

This is another instance of difficulty in the U.S. foreign policy and it serves them right. How interesting! What about saying 'one year' later, after the occupation of the Spy Den (U.S. embassy in Tehran), in just a few days they were informed of all forms necessary for a complete boycott of Iran, yet, after so many years with all their influence in South Africa, they still wonder what type of boycott fits this racist regime!

Upon reading these matters, which American dipolmat in the world can believe that the U.S.A, with all its news, investigation and information machinery which claim to know all about world problems, has no analysis of such a relatively simple question as this.

Those who decide the U.S. foreign policy present strange proof whenever they do not pay enough attention to what they do, a truly self incriminating alibi.
"The central issue in our relations at present is our desire to retain our military installations - Clark Air Base and Subic Bay Naval Base - under an amended agreement that will ensure our continued operational rights and at the same time affirm Philippine sovereignty and provide a level of compensation more acceptable to the GOP. Both bases include facilities that could not be replicated elsewhere in the pacific and others that could be relocated only at great financial cost Other issues are hardly less contentious, howevere, and will continue to preoccupy both governments; among these are human rights, trade, immigration, and the lingering filipino sense-deriving from the colonial past - that there ought to be a "special relationship" with the United States.*

What could one name to justify cruel, colonial relations based on reasons of race? If this report was done when the colony of the Phillipines was purchased from Spain, perhaps it would be something. But, with the Philippines as a colony of the humanitarian! and anti-colonial! Americans for over 75 years, it is not anything but deceit for a special relation. Even if true, does it not reveal America's ugly colonial face? How is it that people in other regional countries such as Malaysia, Singapore, Vietnam, etc., who have enjoyed periods of freedom from European colonialism do not have such problems?

The American human rights framework! is posed on page 32 in the form of questions on how to balance U.S. interests when in conflict with human rights or in crisis in pro-American countries and finding answers to them is deferred to the future. The future that is now clear to us after ten years, and Reagan's anti-human rights policies are known to everyone. This trend of deferring to the future is practiced today by the U.S. and upon gaining access to similar U.S. foreign policy documents we could expand on this issue further.

* ***page 73 of present volume.***

"Annex Number Three"

Peace Loving

The real meaning of ***"peace loving"*** in the U.S. political glossary means preservation of the existing conditions which are in line with the interests of the U.S. and fighting against anything that this country doesn't want to the extent possible.

Between the two superpowers there is a common fancy vis-a-vis a bi-polar approach to the world and the analysis and solution of its problems. That is, whenever any of them finds a move opposed to its interests and aims, it immediately relates it to the interferene and stratagems of the other superpower. Whether the superpowers actually believe in this particular idea or not, they use it to justify their inhuman interference in the affairs of other countries. The Soviets justify their military interference in Afghanistan by claiming U.S. plots in that country. The Americans believe:

Soviet involvement in Iran.... would exacerbate public and USG concerns significantly.*

It is with this view that they consider the anti-apartheid movement in South Africa, Namibia and Cuba, as a kind of Soviet presence which threatens the peace in South of Africa!**

Another principle adopted by the superpowers in grappling with political problems is acquiescence of reality but within a hypocritical framework. This means that they fight a new wave as long as they can and when they are exhausted, they turn around and join the stream downward and try to find ways to ride the wave.

For example: With regard to Rhodesia they have written:

Rhodesia will almost certainly become a majority-ruled state at some point. U.S. policy is primarily concerned with optimizing the circumstances in which majority rule is achieved.*

We note that although no difference exists in the practice of racism in Rhodesia and South Africa, yet, the above policy is not followed in South Africa because, here, the racists are still strong enough to be in power.

Or, in some other chapter it is stated:

We and the Africans believe that it is preferable to have African solutions to African problems."*

* *page 66 of present volume.*
** *page 74 of present volume.*
* *page 74 of present volume.*
** *page 80 of present volume.*

(Meaning the prevention of Soviet and Cuban forces from interfering). If this point has been a principle, how come it has had no application in Latin America or in South East Asia? It is obvious that the U.S. has been able to interfere and has done so. But in Africa, where the U.S.A. does not have the power to interfere, it becomes a precursor of non-interference. (U.S. relations with the deprived peoples of Africa are devoid of humanitarian dimensions and the only axis, for such relations, is prevention of Soviet and Cuban influence as well as acquisition of the region's raw materials and markets).

In the United States foreign policy, the desire for peace is not highly regarded. Whenever they find themselves compelled to accept or admit unpleasant problems, they immediately become peace advocates.

"Annex Number Four"

Economic and International Problems

1. Stability of World Market's Raw Materials

In order that the industrial wheels of the West keep on turning as desired, the stability of the world market's raw materials is a necessity, even if this stability may mean more poverty for the Third World countries. For most of these countries having raw materials but lacking the needed technology to convert them into capital secondary or consumptive goods causes, they sell them off as raw materials.

Western economic theories defend the freedom of local and world markets. They oppose customs policies as much as they can. This theory is based on the principle of free enterprise. However, in practice, the formation of big cartels and trusts prevent pricing on the basis of supply and demand. These cartels and trusts, by practicing centralized policies, try to stabilize and even reduce the price of raw materials of the Third World and, at the same time, they increase the prices of their products by adopting protective policies. The only agency so far able to challenge these imperialist institutions is the OPEC and this, too, has fallen prey to the Western carteltrust empire and the oil price has been cut in half.

Let's take a look at the policy of the world market's stability of raw material. A glance at following statistics which show the price fluctuation of some materials, will do:

Table One: Agricultural - Mineral price changes for the past 22 years

Cent/Pound	Cent/Pound	Dollar/Ton	Cent/Pound	Cent/Pound	$Per Barrel	Unit Price
Sugar	Thai rubber	Morrocan Phosphate	Egyptian Cotton	Brazilian Coffee	Oil	Commodity/Year
4.98	24.2	14.5	54	44.1	1.71	1950
4.54	12.3	11.5	65	42.7	1.90	1972

It is to be noted that during 22 years (with the exception of cotton) all others faced a reduction. The price of these materials incerased from 1973 to 1977 but after 22 years the trend of changes is interesting.

Table 2 — Price Changes in Some Products

Price/Unit	1984	1983	1982	1981	1980	1979	1978	1977	Year/Commod
Dollar/Barrels	28.5	29.30	33.5	32.50	28.7	17.3	12.7	12.4	Oil
Cent/Pounds	138	124	111	102	147	165	149	223	Coffee
Cent /Pounds	164	140	125	152	153	153	139	149	Cotton
Dollar/Ton	38	37	41.5	49.5	45	33	29	31	Phosphate
Cent/Pounds	43	48	40	51	65	57	45	37	Rubber
Cent/Pounds	16	18	18	19	22	19	16	14	Sugar

If we include in these figures the world inflation rates (table 3) we come to table 4.

Table 3 — Rate of World Inflation

YEAR	1977	78	79	80	81	82	83	84
Changes	11.3	9.7	12.5	15.8	14.1	12.3	12.6	14.1

Table 4: Changes in indicators and in the six agricultural - mineral materials based on 1977 figures.

YEAR	1977	1978	1979	1980	1981	1982	1983	1984	Year/Commodity
Dollar	12.4	11.6	14	27.5	19.8	18.3	14.2	12.1	Oil
Barrels	100	935	113	141	160	148	114	98	
Cents	223	136	134	103	63	60.6	60.1	58.7	Coffee
Pounds	100	61	60	44	28	27	27	26	
Cents	149	127	124	107	93	68.3	68	70	Cotton
Pounds	100	85	83	72	62.5	46	46	47	
Dollars	31	26.4	26.7	31.5	30.4	22.7	18	16.2	Phosphate
Ton	100	85	86	102	98	73	58	52	
Cents	37	41	46.2	45.5	31.3	21.9	23.3	20.4	Rubber
Pounds	100	111	125	123	85	59	63	55	
Cents	14	14.6	15.4	15.4	11.7	9.84	8.73	6.81	Sugar
Paunds	100	104	110	110	83.6	70.30	62	48.6	

In the above table, changes in dollar equivalencies should also be considered. But this was not done and so table figures should be regarded as approximate.

You notice then that keeping fixed prices for these materials deals heavy blows on the Third World countries' fledgling economies. For instance, we can study the rate of conversion of these materials into industrial products.

In 1959 with the sale of 24 tons of sugar it was possible to purchase a 60-horse tractor. But at the end of 1982, 115 tons of sugar was necessary for this transaction. With the sale of 6 tons of jute, a 7-8 ton truck could be bought, but by the end of 1982, 66 tons of jute was needed for the same deal. In 1959 one ton of copper wire was enough to get 39 x-ray pipes, by the end of 1982 you could buy only one x-ray pipe with that amount of copper.[27]

The wheat price stablization program by the U.S. and the West has been due to necessity. Wheat is a Western product which will receive greater attention by other countries. If its price goes up and increases, such countries move toward self-sufficiency. This in turn removes America's hold on the wheat market when necessary. Also overproduction (of wheat) in the West is so great that a serious price increase is not likely. The pressure of American (wheat) producer on his government for exportation is so high that it has forced the U.S.A. to abandon wheat as a means of pressure in semi-normal situations.

Western and U.S. policies adopted with regard to the oil price can be seen in a separate book that will be published in this connection but a summary of it is given in following pages.

2. The Law of the Seas:

Use of non-coastal marine resources are among problems not yet decided upon and still cause conflicts between the Third World countries and the U.S. and England. The U.S.A. having the highest technology and capital besides military domination over the seas, has the required conditions for absolute domination of the seas for the purpose of utilizing their resources. On the other hand, Third World countries do not regard lack of these facilities as not having a right to the marine products, just as lack of means of utilization of natural resources within these territories does not deprive them of their right to these resources.

The great importance of materials outside territorial waters (For example, magnesium and phosphorite are found in the form of rocks in oceans from 700 to 611 yards deep.) has created extremely difficult obstacles in their individual or joint utilization. The government of Malta proposed that these regions be considered as mankind's common heritage and an international authority take over the responsibility for their utilization and the proceeds be divided among members of international community with a view to the economic advancement of each. This proposal met with opposition by the industrially advanced countries.[28]

Although immense gas and oil reserves in continuation of territorial waters deep down in the oceans is a matter of certainty and highly important, exploitable minerals (metals) are there and in a word, they answer the needs of man for many centuries, yet, the Western press makes no mention of them, and financial and economic world magnates prefer silence on this point but, quietly develop their technology to make deep sea exploitation possible.[29]

The manner that American politicians approach this problem is quite clear in the text of the document and appears following the U.S.A's proposal re the seas to the effect that:

"This legislation has been announced in order to provide a regulatory framework within which U.S. miners can continue to develop technology and also as a means to indicate our intention to permit mining to occure when rconomically sound, if necessary without a treaty".*

In another section, America's will to impose its views on other countries is stated in the following:

"If the negotiations break down, the U.S. will have to institute policies to protect its national interests in a number of ways, including specific regional and functional agreements addressed to LDS issues. If progress is made or a basic compromise is reached, however, it may pave the way for pratical agreements with the moderate LDCS...".*

One interesting point which runs throughout the document is the outstanding contradiction in America's mottos in defense of freedom, human rights, development (or expansion), extension of the fight against poverty etc., and the decisive opposition by Third World countries vis-a-vis American policies concerning the rights to the seas, transfer of technology, the U.N. and activities of its agencies in communications and outer space. In some cases, industrialized countries, too, oppose America and resist.* Every-where there is talk of protection of Third World countries and their interests and development. Strangely enough, these countries are nearly always against these talks. Samples of these views will be provided in the U.N. votes and in other sections later.

* *page 50 of present volume.*
** *page 10 of present volume.*
* *page 53 of present volume.*

"Annex Number Five"

Economic and Developing Aids

The outstanding feature of the U.S. foreign policy is the question of its developmental and economic aid. The major role of American economic aid in its foreign policy became manifest after W.W.II They claim this aid follows the following objective:

"Our bilateral concessional assistance should focus on meeting the basic human needs of poor peoples largely in poor countries... when sufficient funds are available and where those governments are also committed to helping their poor... Our policy is based, in part, on a conviction that basic human needs is complementary and contributory to programs aimed at development and growth.*

Elsewhere we read:

"Concessional assistance must be concentrated on the poorest countries".*

To make clear the reality of the American foreign aid and their verbal differences, we first take a look at the policy of America's aid after WWII.

Following WW II and the severe destruction of Europe, the Marshall Plan was presented to oppose communist infiltration. As the recipients were industrially established European countries, therefore, this aid was used in the infrastructure areas so that three years later Europe recovered its economic strength, even with greater speed than had been forecast and without using the ceiling aid prefaced in the Marshall Plan (30). The purpose of this aid was purely to combat communism in European countries. Its implementation in Turkey and Greece appear with the Truman Plan and 400m dollars help to these two countries and with similar aid to other countries, a new type of American foreign aid had emerged.

Part of this aid assistance was just to strengthen governments and armies to control revolutionary forces and followed strategic purposes. In this relation the words of **Jacob Vaner,** former Eisenhower consultant, in his speech at Columbia University in 1954 under the title of "U.S. Role in World Economics" are worth repeating:

"If requests for aid were merely based on economic considerations, they would have no success in motivating progressive countries.

This is simply due to the link of the aid to the strategy of the well-to-do nations that requests of developing countries meet with approval. On the political chessboard, undeveloped countries play the role of pawns for the powerful states.

The only factor capable to convince us of the need to plan and execute a really extensive (or expansive) aid to underdeveloped countries is the assurance that friendship or alliance with such countries has strategic, political and mental value for us in "the cold war." It is with this confidence that in securing such friendship and alliance we can count on our massive economic aid. With this assured, the considerably high cost and expense of such economic program shall not be excessive in comparison with the strategic wins and results."[31]

The objective of American foreign investment has been profit and political considerations and not Third World countries' development. To clarify this point it will suffice to say that from the $34b (milliard) U.S. foreign aid between 1949-1952, $26b has gone to Europe and Japan and only $60m or 0.002% was for commerce; 22% in mines exploration and only 13.5% went to industry. This ratio in the Middle East was 93% for oil and 3% for industry. Of the total U.S. investment in Asia in 1962, 65% went into oil. In 1961, 47% of French investment was in oil.[33]

This policy has been pursued in technology as well:

"... We will concentrate on methods to imporve the LDCS'ability to: develop or adapt technology,... , The industrialized democracies will need to take the lead in seeking ways to better utilize technology for the global tasks of protecting the enviroment, improving health conditions, controlling population growth, preventing marine pollution, utilizing safe and renewable energy resources, and more wisely managing soils and plant and animal life,*

It is to be noted that this aid has always been meant to solve the problems and difficulties of the West (securing or providing safe energy; preservation of living environment; population growth control and marine pollution...). Third World countries have no interest in the seas and have no domination over them to consider sea pollution. This doesn't mean that these countries favor marine pollution. It has reference to priorities. A very insignificant percentage of this aid has been spent on vital affairs that are firm pillars for the national economics of the Third World.

A part of this aid was spent as "defense aid" and was allocated to those U.S. military allies who were unable to pay their defense expenses. Here is how this aid was given: "The country (ally) favored with this aid is allowed to import any commodity from the U.S. without having to pay in dollars. Money collected from the sale of such commodities within that country is deposited into a fund from which the U.S. authorizes the recipient country to draw on for expenses, particularly military. For quicker sale, aid countries preferred to import consumer goods. This aid, with conditions attached would create a dependent middle class. These funds allowed governments to pay for the cost of its civil and military administration. Of course, the Americans thought this bourgeois class would enhance the progress of the farmers (farm laborers)!!. The needs of this middle class fit the commodities -- imported consumer goods, Thus, if a government wishes to encourage importation of capital goods by preventing the import of consumer goods, there would, be no money in the fund and delivery of the budget becomes impossible. So, the recipient

* *page 23 of present volume.*
** *page 29 of present volume.*

* *page 17 of present volume.*

government falls, willy willy, into the trap of capital growth. The manner of capital growth, in this view, is that savings increase of the suitable class would demand manufactured goods and this provides grounds for the emergence of a local industry. The bourgeois town class thus created and dependent on the West for both income and consumption, is itself a cushion against communism"[34]

Thus it is quit clear that foreign aid has not taken any trend other than to make national economics dependent or collapse alltogether. In this connection the acceptance of U.S. foreign aid by Egypt, following the Camp David accord, is an excellent example. How foreign aid has been used in the service sectors, tourism, trade, oil, construction, banking and how the major and important sections of agriculture and industry have not had a sufficient and worthy share, thus destorying the order of Egypt's national economy.[35]

In addition, a look at the U.S. foreign aid budget for 1986, which is almost the same as former ones, confirms, that this assistance has not been humanitarian in nature and is not direct toward fulfilling the attainment of human rights. Nor do they, as they claim,:

"As a strategy, the satisfaction of basic human rights stimulates and directs overal production to meet these needs and serves to increase the productive capacity and income of the poor. Therefor it emphasizes growth."*

The development of the Third World countries is not viewed by Americans as an essential matter for U.S. aid, rather, recently the trend of progress has made them worry!

"Of general concern to the U.S. over the next few years will be the impact of the entire modernizing process in LDCS, in terms of their political stability and the effectiveness of existing institutions in adapting to new problems and pressures.*

1. The Amount of Aid

The amount of foreign aid approved by the U.S. Congress for 1986 is $12.77 billion wich in relation to $3.111b. gross national product, it shows a 42% reduction in comparison with the past.* Also, it must be realized that one half of this is in military aid,** which is used in the form of military equipment sale and $^1/_3$ of the amount is given out in preferential loans with 5% interest.[36]

2. Relation of Loans With Human Rights.

The reality of the U.S. claim regarding observance of human rights in its foreign

* *page 23 of present volume.*

* *page 30 of present volume.*

* *Total U.S. budget of 1986 was $967.6 b.; military $223 b; Foreign aid $12.77b.; GMP $3.011b. GNP is calculated on the fixed amount.*

Of the total $12.77b. in foreign aid; $6.27b is for military use; distributed in the following manner: $3,100m. Waived loans; $2,271 m. in loans at daily rate; gratuitous loans $805.1, etc. $93.2m.; or a total of $6,269.3m.

aid can be understood from the following figures; in 1986 America to combat communism requested $22m for El-Salvador's police and Army; $11m for Honduras; $9.m for CostaRica; $3m for Guatemala and $7m has been earmarked for Panama.

This aid has gone primarily to the police forces of the countries mentioned, which are among the most inhuman governments in the world so that they can supress popular uprisings under the name of opposing terrorism. This is so clear that the U.S. Congress has declared its opposition to Reagan's objectives. This assistance is being given specifically after four U.S. Marines were killed in San Salvador and to justify the danger to American citizens and interests. It is interesting that when these figures were being discussed and defended it was said that these monies would be used to combat the leftist and rightist groups!!

Other anti-human regimes in Latin America such as Paraguay, Haiti, El Salvador, have benefitted by economic and military aid. For instance, $350 million and $1326 million in economic and military aid has been allotted respectively with the only objective of protecting the existing dependent regime against revolutionary elements. When Reagan asked for help, in the name of human rights, for Nicaraguan anti-revolutionaries, the point was thought so unethical that even the Congress did not, in 1985, agree to its military aid figures. But, in 1986, the humanitarian but non-military meaning and interpretation of aid, was expanded to include military equipment such as wireless sets, trucks and helicopters.

Topping the list American aid recipients is Israel, whose aparheid policies in the occupied zones is well known with respect to the Arabs.

The only case where Americans tried to observe the principles of human rights is making the $3 million aid to Mozambique conditional on the reduction of foreign military advisers! and the institution of free elections!!

The nature of America's conditions clearly points up the existence of the racist spirit and domination by which it belittles Third World countries. In Lebanon, they have a most degrading approach, Reagan asked for $10 million and the Congress approved only $2.5 provided the 7 U.S. hostages were released.

If for such an insignificant amount of aid they set such condition and provisions, one can imagine the terms for their aid if the amount runs into hundreds of millions of dollars.

3. Distribution of Aid

It is pertinent here to know how preferential loans are made available to the poorest countries.

Of the $6.3b foreign military aid, $1.8b went to Israel and $1.3b to Egypt, the purpose being to strengthen the Camp David Agreement, for it is a strategic point in the region on which the U.S. relies. Its importance is described as follows:

"If the Sadat initiative fails, we can expect serious repercussions in the region... possible replacement of Sadat by a more radical and unfriendly Egyptian regime, disillusionment and bitterness on the part of arab moderates, and the strengthening of

rejectionist and soviet influence in the area.*

The importance of this point has increased since the emergence of the Islamic Revolution and its growth.

Fifty percent of the remaining half of the aid has been deliberately given to the U.S. allies in the NATO, South East Asia and Latin America, including $714.20 million to Turkey, $500 million to Greece, $70 million to the Phillipines and $132.6 million goes to El Salvador. Of South Korea, Portugal, Spain and Thailand, each get a portion of the aid depending on their part in defending U.S. interests.

The U.S. prime economic aid goes to Egypt and Israel, $815 and the $1,200 million respectively. Other countries got a share of this aid as already mentioned in its military distribution. The choice economic aid was for the first time made available to Israel in cash payment. Egypt received $115 million in cash while the rest of this aid was made as credit for importing goods from the U.S.A. If we consider the role of granting credit in the Western economy, we realize the two-dimensional aspect of the aid. This is to insure political and economic interests of this country.

Other points mentioned in the document which should be very interesting to today's reader concern the loans to the developing countries:

"Most OECD countries, including the United States, have taken measures to decrease the official debt burden of the least developed countries... the trust fund, witteven, and extended fund facility... will help countries overcome short-term balance of payments difficulties."*

Without any reference to the ways adopted to reduce the pressures of the loans, attempts have been made to assume a humanitarian position with respect to this. If we were to evaluate this matter or section in the year the report was written (1978), possibly the reader would doubt America's well-wishing purposes. But, today, 8 years later, official figures relate the results of these methods that are adopted in company with other industrial countries.

TABLE 5 - Developing Countries' Indebtedness

Year	1980	1981	1982	(1983) short term loans	1984 Apporoximation	1985 Approximation
(U.S.$b)Debt	610	702	775	843	895	970

Average annual growth of these debts reached the figure 20% from 1972 to 1981.[37]

* *page 5 of present volume.*

* *page 29 of present volume.*

"Annex Number Six"

The United Nations

The formation of the United Nations Organization was essentially to justify the power of the superpowers, especially the United States. It is a cover for expansionist intents or for the protection of the status quo in their interest. It was also meant to publicize the idea that: no international problem can be solved without consideration of the role of the superpowers.[38] Thus the U.S.A. supported this agency with the necessary might particularly because in exigencies like the Korean War the U.S. acquired a law ful and universally acceptable coverage for its actions by supporting the U.N.O. However, as the nunber of independent states gradually increased, the criteria of power changed and the deprived nation found the opportunity for self-expression, the U.N. left its one-sideness. Although the essence of this and other international agencies affiliated with it have undergone no basic changes, yet in appearance and in incidental matters, the absolute maneuvering power of the U.S. and of the West is withdrawn and as this trend grew, the U.S.A. adopted a position or attitude toward it.

The American approach to international agencies is one of domination. In a deceptive manner it is stated:

"The U.S. is particularly interested in:

- improved procedure for peaceful settlement of disputes,

- betten coordination of the technical assistance programs in the various U.N. agencies.

But the manner of U.S. action with world organizations is indicated in the foreign aid bill of 1986 as follows:

"Aid to those groups affiliated with international agencies that have programs to help the SAF, SWAPO, Libya, Iran and Cuba will be reduced."

Last year, the U.S.A. cancelled its membership in the UNESCO and all its aid to this agency because it did not act per the interests of America although the majority disliked this American move. The question is not why America cancels its membership and its aid, or threatens such and such agencies if a particular decision is made, we will react in this or that way.* The real problem is that such a country should not claim the defense of human rights and the rights of underdeveloped countries. Such claims contradict such actions.

If we regard the resolutions made annually at the U.N. General Assembly meetings as the world's most important problems, the United States votes cast in 1984 confirm America's hostile attitude toward all countries and in numerous cases America has expressed views contrary to the views of all other countries.

* *page 44 of present volume.*

* *Concerning Israel's expulsion from the U.N. General Assembly, the United States threatened to withdraw from that Organization while financing 1/4 of this organization's budget.*

	TITLE OF RESOLUTION	No, opposed	U.S. vots
1.	South African situation	nil	absentee
2.	Action to halt Apartheid	2	negative
3.	Carrying out Security Council's vote on Namibia	nil	absentee
4.	Eradication of colonialism	2	negative
5.	Afghanistan situation	20	positive
6.	Jewish settlements and Geneva conventions	1	abstain
7.	Occupation of the Golan Heights	1	abstain
8.	Middle East peace conference	3	negative
9.	Approval of the treaty of the seas	2	negative
10.	Charter of rights and economic implications	10	negative
11.	Economic threats to or of developing countries	19	negative
12.	Harmful products for environmental health	1	negative
13.	The United Nations budget	17	negative
14.	Discrimination against women	1	negative
15.	Protocol concerning prohibition of capital punishment	19	positive
16.	The law concerning aggression against peace and security	—	absentee
17.	Financial security of forces preserving peace in Lebanon	15	positive
18.	Abolition of nuclear weapons testing	3	negative
19.	Prevention of arms race in space	nil	absentee
20.	Stopping the manufacture of nuclear weapons	12	negative
21.	Reduction of military budgets	16	positive
22.	Chemical or bacteriological weapons	16	positive
23.	Chemical weapons (including multiple ones)	1	negative
24.	Unilateral action for disarmament	1	negative
25.	Nuclear winter	—	absentee
26.	Report of the Conference on disarmament	1	negative
27.	Prevention of nuclear war	1	negative
28.	Military survey, research development.	1	negative
29.	Putting limitation on naval arms competition	19	negative
30.	Implementation of social security	22	negative

Thus the total of American votes has been 18% while they have voted 1% above the 86% upper-members. These figures and standards in counting votes has been on the basis of agreement of every state on the following criteria:

Instituting international peace; just relations among nations; economic equality; human rights and social justice, effective world organization, protection of living environment and native life balance.

The U.S. percentage of these votes has been 13% in 1983.[39]

NOTES

1. Javad Sadr: The International Agencies and Organization, Tehran, 1350, page 83.
2. S. Dolland: The World History, Since 16th Century, Ahmad Behmanesh, Tehran, 1364, Vol. 2 page 362.
3. Pierre Renoir: The History of the International Relation. The Twentieth Century Crisis, Tehran 1357 Vol. 1 pages 93-110.
4. Ibid page 182.
5. Ibid page 210.
6. Ibid pages 283-284.
7. Laurens H. Shoop & William Minter: Imperial Brain Thrusts, Mansour Asseem, Tehran 1364 page 140.
8. Pierre Renoir: Ibid Vol. 2 pages 467-473.
9. Hamid Behzadi: The U.S. Foreign Policy as Seem by Morganta, The Publication of the School of Law and Political Science, No. 18, pages 63-70.
10. Al Mousa L-Sevassieh, Al-Moasetel Arabia Al-Arasat Val-Nashr, Beirut, Vol. 1 Page 437.
11. Henry Kissinger: U.S. Foreign Policy, Hassan Mohammad Nejad. Tehran 1353 pages 124-128.
12. Hamid Behzadi: Ibid No. 20, page 106.
13. Ed.J.Dorman: United States National Security Policy in the Decade Ahead, 1978, as quoted from "The Al-Fikr Al-Strategy", Maahad Al-Anba'a Al-Arabi. Beirut 1981 No.1.
14. Andre Fontain: One Bedstream and Two Seas. Abdulreza Hooshang Mahdavy.Tehran 1363 page 78.
15. For more information about availability of atomic weapons to Israel, refer to the book "Al-Qovat Al-Askarieh Al-Israilia (Israel's Military Power), one publication in the series of "In Strategic Bondage".
16. For more information refer to the books of the Center for Publication of the U.S. Espionage Den's Documents Nos. 45 and 46. "U.S. Interference In Islamic Countries".
17. There are many books and articles about the crimes committed by the West against humanity. For brevity, we hereby just mention sections of a book for information.

"In the 17th century, the black Africans,men, women and children, were rounded up like cattle by the Europeans and were loaded into special ships provided and waiting in the harbor for this purpose. Each of these ships were piled up with 300 blackmen, women and children. These future slaves were taken to American shores. There, owners of cotton plantations were waiting for them. Slave - hunting spread all over the Aftican continent. More than ten million Africans were sold to Americans during the slave trade and several millions of them dying while crossing the Atlantic.

Ocean. Slave trade of blacks cost Africa 60 millions boys and girls, to say the least.

"The selling and buying of human beings not only had no effect on the conscience of the European gentiles, they rather encouraged it.".

Elizabeth I, queen of England dubbed John Hopkins as the knight of the slavery sales pioneer. This new chevalier immediately ordered a box to be made for him on which surface shackled an engraved blackman.

In the 18th century, Charles Lynch, a farmer from Virginia personally ruled against his blacks uprising. He was judge, prosecutor, defense attorney and the executor all in one. His execution means were a tree and a rope. He used to hang, without exception, all blacks who fled from slavery. The method he initiated lasted 200 years and was known as the Lynich Law throughout America. Thousands of black heads bedecked tree limbs.

In the 19th century, white occupiers mercilessly massacred the native people of the Island of Tasmania (Australia). The last of them died in natives; machine-gunned tribes; poisoned them, like dogs, with stricknine or caused them to die of hunger.

Only some ten thousand of the "savage" natives were able to escape the civilized Europeans and take refuge in the rough barren deserts of Australia. The rest of them spilled their blood for Australia.

In the 4th decade of the 20th century, Fascist Germany, in search of "breathing space" first occupied neighboring countries. It then felt the passion to acquire a much wider space with cheaper manpower and more consumers. To provide a sample of the "world and the lamb" Hitler said: "We must destroy this group. Doing this is one of our duties in serving the German nation".

"It is necessary that we follow mass annihilation techniques (burning human beings in the Auschwitz furnaces). If my purpose for doing this is asked, I shall answer that I mean to do away with everyone in a race. This is nearly what I want to do. It is my duty... When I send the flowers of the German nation to the war fronts and sacrifice the valuable German blood, surely I have the right to annihilate millions of human beings of a lower race who multiply like worms. One of the important duties of the German administration is to prevent the growth of the Slavic race."

Quoted from the book: "Poverty and Crime in America" - "Human Aggressiveness" - Sheikhavandi, pages 9-11. With regard to lack of human rights observance in criminal laws, the penalties, and about the anti-human nature of the Western man, one can refer to the book "Criminology", volume 2, discussions of Reza Mazlumian. Here below are a few excerpts:

"In 1814 three youths ages 8,9 and 11 were condemned to death for stealing one pair of shoes." Page 164.

"In 1631, by describing the tortures meted out to a pregnant woman, her cries and beggings, Vehner painted a vivid pictured of the pains and tortures imposed on thousands of victims of "understanding, truth and justice".

The description of these tortures, taken from this woman's file, would make any human being tremble. These included.

1. **With hands tied, they pulled the woman up a ladder and hoisted it on both sides so often that her heart was about to burst.**
2. **As she would not yet confess, the tortures were repeated. Her head was shaven and she was again tied to the ladder and then alcohol was poured on her head as they wanted to burn her whole shaven head.**
3. **Her armpits and underneath her ears were burned.**
4. **They tied a rope to her hands and pulled her up to the ceiling.**
5. **She was brought down and pulled up again. The act was repeated for 4 hours until the judges' lunch time.**
6. **On return, the judges tied up the hands and feet of the pregnant woman.**
7. **They poured alcohol on her back and set fire to it.**
8. **Then they tied heavy weights to her back and pulled her back.**
9. **They laid her down again on the ladder.**
10. **Then they tied her on to a heavy board with sharp spikes sticking out and drew her up to the ceiling by her tied hands.**
11. **Her feet were tied again and an object weighing 25 kilos hung from them, so that her heart could stop any moment.**
12. **Again her knees and hands were tied so tight that blood ran out of her toes.**
13. **This was not enough for the judges and they ordered her to be tied once more to the torture band.**
14. **Torture was resumed for several successive day and she was told she would be tortured till her death.**
15. **Then they hanged her by the hands. She could not breathe anymore.**
16. **She was then flogged.**
17. **They then tied her to pincers and a hook and left her that way for six hours.**
18. **They then lashed her pitifully for a whole day.**
19. **Another day her torture was resumed. For 6 hours they kept her every direction on a hook and pincers for 6 hours, "from page 165 through page 167".**
18. In England public elections began only in 1918 and women obtained equal rights (political and social) with men in 1928.
19. The 1929 economic crisis which shook the West provoked ideas in economics. **Keyves** presented new views that negated the classical economic theories. The reform proposals implied government interference in economics and better distribution of revenues to increase consumption and thus get out of the crisis. This was accepted by Western capitialism.
20. To know more about the activities of mass communication media, refer to pages 217-227 of "Political Sociology" by Maurice **Durje** translated by Abulfazl Ghazi.

Also a look at the Western television news indicated the reality of how they keep the truth from their people. For example, it may be that news of a dog inheriting the wealth of a childless person remains the most importan news on T.V. for many days. Or, the news of a man killing three old women, the polic action in apprehending him and the reaction of other old women and of the people may be among the hottest news, while at the same time important problems in Latine America, the Middle East and even in East-West relations are current.

21. To understand better what changes the entry of atomic weapons has made in relations between states, refer to the following books:
— Hamid Behzadi: Great Powers and International Peace as seen by Morganta. Tehran 1356.
— Henry Kissinger: Ibid
22. Of the Words of Cecil Rhodes, 1895.
23. Hamid Behzadi: The U.S. Foreign Policy as Seen by Morganta. The publication of the School of Law and Political Secience. No. 19 page 105.
24. International Financial Statistic Year Book, 1985 page 136.
25. Ibid page 136.
26. Annual Publication of the International Monetary Fund.
27. Africa Urder the Clows of Multinationals. Keyhan newspaper. 2/18/86
28. For more information refer to:
— Jamshid Momtaz: The New Orders for Seas and Oceans. The publication of international relation department of the Center for International Research. Nos. 11 & 12. Tehran 1358 page 253.
— Malt project: Translated by Parviz Alavi and..., The Center for International Research. 1356.
29. Seyyed Hussein Seyyedi: The Ocean and the Future of Mankind. The Publication of Tehran University School of Law and Political Science. No. 19 page 51.
30. Hamid Behzadi: Ibid No. 18 page 66.
31. Albertini: Growth Retardedness Mechanisms. A. Banisadr. Tehran 1352 page 124.
32. Ibid page 126.
33. Ibid page 118.
34. Ibid page 127.
35. A. Abdi: People's True Place in Islamic Order. Kdyhan newspaper 7/10/1364.
36. Figure relative to this part of the publication taken from Congressional Quarterly Weekly Report. Aug. 3. 1985.

37. As quoted from "Balance". Foreign Trade Weekly Report. The Institute of Commercial Studies and Research. Ministry of Commerce.
38. Refer to:
— Hamid Behzadi: Great Powers and International Peace as Seen by Morganta. Tehran 1356.
39. Matters relating to the U.N. votes from the report: U. N. AND PLANET. Printed in the quarterly bulletin of the General Department Foreign Ministry of the Islamic Republic of Iran. Series. Vol.7 Nov. 1986.